



# PCRG

## PITTSBURGH COMMUNITY REINVESTMENT GROUP



# 2023-2024 POLICY AGENDA

PCRG's 2023-2024 policy agenda reflects and advances our new strategic plan to build community capacity and further realize racial and economic equity within the region.

**Chris Rosselot**  
Policy Director

Pittsburgh Community Reinvestment Group's power is the consortium's voice of 60 community organizations, representative of 125 neighborhoods advocating for economic justice and racial equity throughout the Pittsburgh region.



For over 30 years, PCRG has utilized the Community Reinvestment Act (CRA) and its united community development voice to achieve two goals (below) in accordance with its focus on combatting redlining and enabling community reinvestment in the region's most disadvantaged neighborhoods.

- Be the region's non-profit leader in building community capacity.
- Explicitly seek positive outcomes in racial and economic equity through research and advocacy.

Last year PCRG began operating under our strategic plan prepared by HR&A Advisors, which helped establish our new mission: **"PCRG builds the capacity of community development leaders to achieve racial and economic equity in the Allegheny region."** While this does not radically deviate from our previous goals, it reframes the objectives to explicitly center issues of racial and economic equity, and thus enables the group to better focus its policy platform and advocacy campaigns.

Despite PCRG's successes over the years, the region is still seeing and experiencing the effects of the Great Recession of 2009 and the worldwide economic shutdown caused by the COVID-19 pandemic. Despite our historical progress these two major economic downturns have meant that many of the same challenges of previous decades persist for the region's low- and moderate-income (LMI) communities and its Black, Indigenous, and people of color (BIPOC). In fact, rates of Black home ownership today are at a historic low.

Nevertheless, PCRG continues to reassess and build our programming in the face of these setbacks. PCRG's work has secured community benefits agreements (CBAs) in addition to numerous innovative mortgages and small business products from both large regional and small local financial institutions. PCRG convenes working groups of community organizations and regional stakeholders around policies that address vacant and blighted property as well as land recycling, banking, mobility, affordable housing, and environmental justice. PCRG must continue to work with members, local foundations, and local, state, and federal government partners to address the intractable issues facing the region's LMI and BIPOC communities. Failure is not an option, nor is allowing the barriers of systemic racism and socio-economic segregation to remain the status quo within the Pittsburgh region.

Our current focus addresses key issues in confronting neighborhood health barriers and developing collective strategies for advancing racial equity, with an emphasis on homeownership. Through a variety of well-regarded initiatives and programs, PCRG will continue to collaborate with many partners to successfully advance local capacity and bring financial resources and knowledge to at-risk populations and distressed urban neighborhoods for years to come.

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# Contents

- I. Advancing Equity through Access to Affordable Housing** ..... 6
  - Investing in Community Land Trusts ..... 6
  - City & County Funding for Affordable Housing Purchase and Rehab ..... 7
  - Incentivizing Affordable Housing by Private Developers ..... 7
  - Creating Innovative Mortgage Products with Local Financial Institutions..... 7
  - Investing in Homeownership Programs for LMI Residents (OwnPGH & Housing Opportunity Fund)..... 8
  - Home Purchasing Fund..... 8
  - Inclusionary Zoning..... 9
  - Anti-Displacement Review Committee (Department of City Planning) ..... 10
  - Keeping Longtime Homeowners in Their Homes ..... 10
  - Support for Renters ..... 11
  - Low-Income Housing Tax Credit (LIHTC) ..... 12
  - Whole Home Repairs..... 12
  - Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund (PHARE) ..... 13
  - Federal Policies Related to Affordable Rental Units ..... 14
  - Expanding LIHTC through the Affordable Housing Credit Improvement Act (AHCIA) ..... 15
  - Affirmatively Furthering Fair Housing (AFFH) ..... 15
  - Choice in Affordable Housing Act of 2023 (Senate Banking, Urban Affairs) ..... 16
  - Neighborhood Homes Investment Act..... 16
  - Stop Predatory Investment Act (Legislative, Senate Finance Committee) ..... 17
  - Revitalizing Downtowns Act (Legislative, Senate Finance) ..... 18
- II. Advancing Equity for Minority-Owned Business through Access to Credit**..... 19
  - Investing in Main Street Act of 2023 ..... 19
  - Special Purpose Credit Programs (FDIC, OCC, FED, HUD) ..... 19
  - Section 1071 of the Dodd-Frank Act & the Equal Credit Opportunity Act..... 20
  - Expanding Access to Capital for Rural Job Creators Act..... 21
  - Close the Shadow Banking Loophole Act ..... 21
  - Codify the Community Advantage Loan Program ..... 22
- III. Advancing Equity through a Stronger Community Reinvestment Act**..... 23
  - Implementing a strong, modernized CRA ..... 23
  - Racial Discrimination in Appraisal Bias..... 24
  - Fair Access to Banking Act..... 25



<b>IV. Advancing Equity through Access to Land Recycling Tools for Communities</b> .....	26
Pittsburgh Land Bank.....	26
Investment in Government Infrastructure .....	27
Regional Blight Task Force .....	27
Disruptive Property Committee .....	28
State/Regional Land Bank Network Initiative .....	28
Municipal Claims Tax Lien Law (MCTLL).....	28
Federal Resources for Land Banks.....	29
<b>V. Advancing Equity through Increasing Community Based Organizations Capacity</b> .....	30
Registered Community Organization Legislation (City of Pittsburgh).....	30
Build Transparency in Public Investments.....	30
Advocate for State Resources to Assist Small and Low-Income Communities .....	31
<b>VI. Advancing Equitable Community Development &amp; Revitalization</b> .....	32
Neighborhood Economic Development (NED) Program .....	32
Neighborhood Assistance Program.....	32
Mixed-Use Development Tax Credit (MUDTC).....	33
Redevelopment Assistance Capital Program (RACP).....	33



## Executive Summary

### PCRG Strategic Direction and Policy Agenda 2023-2024

PCRG's 2023-2024 policy agenda reflects and advances our new strategic plan to build community capacity and further realize racial and economic equity within the region.

#### Advancing Equity through Local Policy

Most policies responsible for the systemic barriers that impact vulnerable communities are found at the local level. PCRG continues to pursue local policy solutions for affordability issues that are causing the displacement of longtime residents across the Southwestern PA region. These include **protecting longtime homeowners in gentrifying neighborhoods, home purchase and rehabilitation programs, supporting community land trusts, and pushing for more inclusive zoning policies.** To this end, PCRG continues to advance programs and legislation benefiting residents of the City of Pittsburgh, Allegheny County, and beyond.

#### Advancing Equity through State Policy

Today, with a new governor and slim Democratic majority in the Pennsylvania House of Representatives, there is an opportunity to advocate for and pass bipartisan legislation this session. We have already seen successes from our longtime advocacy efforts like **the amendment of the Municipal Claims Tax Lien Law (MCTLL) that allows land banks in Allegheny County to take advantage of Sheriff's Sales and the expansion of the Affordable Housing Trust Fund during the 2023 legislative session.** These successes can be attributed in large part to PCRG's participation and advocacy in the statewide blight task force in Harrisburg, but there is **more work to be done to eliminate blight, create homeownership opportunities and leverage investments in neighborhoods by working with our state partners.**

#### Advancing Equity through Federal Policy

PCRG continues to advocate with federal legislators and regulators for policies that further affordable housing, invest in communities, and improve access to capital for LMI individuals and communities. This past year the **Community Reinvestment Act (CRA) was modernized for the first time in over 30 years, Section 1071 of the Dodd Frank Act was finally implemented, and fair housing standards under the Biden Administration were expanded.** Our team provided our member communities with the advocacy tools and guidance on the importance of these critical federal policies. We will continue to advocate for the advancement of neighborhood equity at the national level.

## I. Advancing Equity through Access to Affordable Housing

Although Pittsburgh is one of the more affordable metro areas for rental housing and home purchasing, the city is deeply socio-economically and racially segregated, with 75% of Black households located in census tracts that are at the bottom 50<sup>th</sup> percentile for median household income. Furthermore, while median household and family incomes have increased over the past three decades, particularly for non-Hispanic white households, there was a net decrease in incomes for Black households from 1999 to 2021. Those incomes have stayed stagnant or have decreased in the wake of the pandemic related recession in 2020. These two periods combined have contributed to one of the largest disparities between Black and white homeownership rates of comparable metro areas throughout the Midwest and Mid-Atlantic regions. From 2010 to 2020, Black homeowners were the only racial or ethnic minority that experienced a net loss of homeowners in Pittsburgh. While some of this is related to rising prices, gentrification, and displacement, it is also reflective of Pittsburgh's aging housing stock, as well as other social factors like the effects of concentrated poverty on health, education, and violence.

To further goals of fostering economic growth and strengthening the fabric of Pittsburgh's neighborhoods, PCRG will advocate for local programs and legislative initiatives that preserve affordable homeownership, grow the supply of affordable rentals, and further fair housing policy in the region. PCRG will continue to stand behind inclusionary zoning, anti-displacement legislation, and tenants' rights initiatives, as well as continue its work to remediate blight in distressed communities. PCRG also has joined a coalition of Fair Housing advocates from throughout the region to strategize and draft a priority list of policy recommendations that will enhance Fair Housing policy at both the national and local levels. This regional initiative includes PCRG's federal advocacy efforts around the rulemaking on the Affirmatively Furthering Fair Housing (AFFH) policy this past April. PCRG will continue to guide stakeholders in improving, implementing, and enforcing fair housing standards in the Pittsburgh region while advocating for the following local policies, programs, and initiatives.

To increase the Black homeownership rate, return potentially displaced LMI and minority households, and improve affordable, for-sale housing, PCRG supports the policy items listed below.

### Investing in Community Land Trusts

As part of its convening role within the region, PCRG looks to bring together members of regional land banks (LB) and community land trusts (CLT) for an extensive review of regional land recycling tools. PCRG currently works with the Allegheny Land Trust, the Tri-COG Land Bank, ACTION-Housing, City of Bridges, and Rebuilding Together Pittsburgh. We hope to expand membership to include other land banks, community land trusts, and non-profit housing developers, especially in Beaver, Butler, Washington, and Westmoreland Counties. PCRG supports using land recycling programs that address community needs rather than catering to for-profit developers. Accordingly, we advocate for creating permanently affordable housing through community land trusts and policies. We also

hope to facilitate a regular “town hall” style convening to develop a regional land-use and recycling strategy collaboratively.

**PCRG’s Positions:**

- ***Facilitate a regular “town hall” style convening to collaboratively develop a regional land-use and recycling strategy.***
- ***Determine if an ongoing working relationship with LB and CLT is valuable and should be formalized to act as one voice in the sector.***

### City & County Funding for Affordable Housing Purchase and Rehab

To address the housing affordability crisis in the City of Pittsburgh, PCRG calls for the city government to borrow debt for the building of affordable housing and to leverage existing government and private funds for large-scale purchase and rehabilitation. This would require a massive public-private partnership that PCRG will play a role in facilitating in concert with city leadership and financial institutions. In addition to new developments, the city should also increase funding to preserve the affordability of existing housing and to protect income-restricted affordable housing from lapsing through a city line-item or bond issuance.

**PCRG’s Positions:**

- ***For the City to dedicate funding for the building of affordable housing.***
- ***For the City to increase funding to preserve naturally occurring affordable housing and protect income-restricted housing.***

### Incentivizing Affordable Housing by Private Developers

To supplement federal and state tax incentives for the development and preservation of affordable housing, local governments should employ permitting incentive programs, including fee waivers for developers constructing projects that include a certain number of affordable units. By providing monetary incentives and/or special privileges to cut through the red tape of the permitting process, PCRG believes local governments can further incentivize and attract local developers to meet the housing needs of the community.

**PCRG’s Position:**

- ***Encourage local governments to provide fee waivers and other permitting incentives for private developers to build affordable units.***

### Creating Innovative Mortgage Products with Local Financial Institutions

Maintaining PCRG’s role as a local resource and watchdog for the Community Reinvestment Act (CRA) and other fair lending procedures, we are committed to partnering with financial institutions to create innovative mortgage products and assisting in disseminating them through our member community organizations.



Through our Mid-tier and Community Bankers' Collaborative Councils, we have worked with member organizations and banks to create innovative new mortgage products that address the needs of LMI and first-time homebuyers. These products – along with grant programs from banks, local community organizations, and now the City of Pittsburgh's OwnPGH program – provide significant resources to LMI prospective homebuyers. Additionally, PCRG has advocated for new Special Purpose Credit Programs (SPCPs) which, following guidance from federal bank regulators and the Biden Administration, would allow banks to target specifically underrepresented, protected classes with privileged mortgage products.

#### **PCRG Positions:**

- ***Expand the OWNPGH program delivery system to include more banks that originate loans.***
- ***Advocate to and assist banks to develop more SPCPs to expand affordable financing to minority and underserved populations in the region.***

#### **Investing in Homeownership Programs for LMI Residents (OwnPGH & Housing Opportunity Fund)**

As part of PCRG's mission focus of increasing opportunities for homeownership and our particular interest in closing the racial homeownership gap, PCRG will continue to monitor and evaluate the success of the OwnPGH program. OwnPGH is a city program through the Urban Redevelopment Authority (URA) of Pittsburgh that provides up to \$90,000 to first-time homebuyers seeking to purchase a home within the City of Pittsburgh. If the program is successful, PCRG will advocate for continued funding to further grow opportunities for first-time homeownership for low- and moderate-income households.

#### **PCRG's Position:**

- ***Evaluate the success of the OwnPGH program, and advocate for funding as appropriate.***
- ***Work with interested lending partners and the URA to add more participating lenders into the program.***

To augment affordable homeownership opportunities, PCRG will advocate for increased funding to the City's Housing Opportunity Fund to support the Downpayment and Closing Cost Assistance Program (DCCAP) and the Homeowner Assistance Program (HAP).

#### **PCRG's Position:**

- ***Increase annual funding for the City's Housing Opportunity Fund to support the DCCAP and the HAP.***

#### **Home Purchasing Fund**

One way of preserving affordable housing and protecting communities from gentrification resulting from home-flipping and real estate corporations is to establish a home



purchasing and rehab fund. This fund would compete with cash-in-hand purchasers intending to flip the home, preventing them from buying homeowners out of their homes. Low-income families and individuals, particularly in distressed areas, are especially prone to losing their homes through this process. Black homeowners in Allegheny County are also disproportionately at risk of losing their homes. Given the racial homeownership gap seen in Pittsburgh, this is an issue of particular focus for PCRG that is being addressed through our Black Homeownership Initiative. Keeping these residents in their homes is vitally important to the maintenance and growth of Black wealth in the region. Thus, it is a major priority for PCRG to partner with community development financial institutions (CDFIs) and other lending institutions to establish financial resources. We will also direct focus toward identifying any possible legislative action that local governments can take to protect their residents from being bought out of their homes.

### **PCRG's Positions:**

- ***Collaborate with CDFI's and our lending partners to establish financial resources for at-risk homeowners.***
- ***Work with government stakeholders and non-profit development entities to deploy funding, assist in the development, and project management.***
- ***Local governments should enact ordinances and establish resources to protect communities from professional home "flipping" and prevent the buying up of single-family residences.***

### **Inclusionary Zoning**

PCRG stands with members that have fought for Inclusionary Zoning (IZ) policies to provide affordable housing opportunities in their communities. Despite some initial concerns from housing developers, IZ implementation has proven to further investment in and development of affordable units. However, as IZ and affordable housing unit incorporation is an elective process that has occurred only within certain, distinct neighborhoods, the City of Pittsburgh must implement a city-wide IZ policy to combat the housing affordability crisis.

PCRG will advocate for citywide inclusionary zoning that mandates any multifamily construction of more than 20 units set aside at least 10% of units for low- and very- low-income families. It will also encourage "soft density" in certain zoning areas by advocating for the allowance of 2–4-unit multi-plex housing construction and the removal of barriers such as mandatory setbacks and parking minimums, where appropriate. To encourage "high density" in existing residential zones, PCRG calls for the allowance of by-right height bonuses and expedited permitting processes for developments that exceed the 10% set aside requirement and/or provide additional transportation benefits for low- or very-low-income residents. PCRG understands the potential benefits of passing city-wide IZ but recognizes that some residents may require more information to assuage concerns about implementing IZ in their neighborhoods. As part of our partnership with the Department of City Planning (DCP) around the Registered Community Organization (RCO) program, PCRG will work to hold educational public hearings on "Yes in My Backyard!" (YIMBY)

policies regarding multifamily developments. PCRG will monitor and evaluate the successes and failures of the Accessory Dwelling Units (ADU) zoning overlay and other innovative zoning strategies that increase density in order to grow the affordable housing supply.

**PCRG’s Positions:**

- ***Create a citywide inclusionary zoning rule that mandates any multifamily construction of more than 20 units set aside at least 10% of units for low- and very-low-income families.***
- ***Encourage “soft density,” by passing ordinances to allow for the construction of 2-4 multi-plex housing units – removing barriers such as mandatory setbacks and parking minimums where appropriate.***
- ***Encourage “high density” in existing residential zones by passing ordinances to allow for by-right height bonuses and expedited permitting processes for developments that exceed the 10% affordable unit requirement.***
- ***Monitor and evaluate the Accessory Dwelling Units (ADU) zoning overlay as a solution for increasing housing supply.***

**Anti-Displacement Review Committee (Department of City Planning)**

PCRG supports the creation of an anti-displacement review committee under the Department of City Planning (DCP) to review the potential implications of development on the affected populace. Furthermore, PCRG believes the city and county can play a larger role in preventing income- and deed-restricted housing from lapsing. Localities can achieve this through bond issuances to bid at market prices so as to secure and maintain affordable housing options, keeping them from falling into the hands of speculative or other for-profit housing developers.

**PCRG’s Positions:**

- ***Create an anti-displacement review committee under DCP to review the potential implications of development on the affected populace.***
- ***Encourage the City to secure and maintain affordable housing options through bond issuances to bid at market prices.***

**Keeping Longtime Homeowners in Their Homes**

Ensuring that homeowners may stay in their homes is becoming increasingly difficult in gentrifying neighborhoods where economic growth is inflating property taxes to amounts unaffordable for residents on fixed incomes. This is compounded by Allegheny County



kicking the can down the road in not conducting a uniformed property reassessment for more than a decade. PCRG will continue to push for reforms to the tax assessment procedure that prevent the racial biases and discriminatory practices causing the de facto segregation and wealth disparity that we see today. The current system has upheld practices which have funneled investment into historically whiter and wealthier neighborhoods, while driving disinvestment from historically Black and low-income neighborhoods. This past year, PCRG partnered with Allegheny County Controller's office and the Realtors Association of Metropolitan Pittsburgh to conduct outreach and education on the current property reassessment process, including how to appeal reassessment. PCRG will continue to advocate for policies at the local level that assist property owners that want to remain in their homes.

### **PCRG's Positions:**

- ***Support a mandatory countywide reassessment with a strong focus on racial equity and repairing past damages.***
- ***Support Longtime Owner-Occupied Program (LOOP) legislation at the local and state levels to protect LMI longtime homeowners from displacement.***

### **Support for Renters**

PCRG's own research and the City of Pittsburgh's 2022 Housing Needs Assessment reflect that, over the last decade, Pittsburgh has become a city of renters, with the amount of residents renting having increased by 2% just since 2015. As the city's general population has continued to decline, most new residents tend to be middle- and upper-income renters that make up smaller households. As such, new construction has shifted to luxury multi-family rentals (totaling 90% of new construction since 2015) with an average monthly rent for a one-bedroom apartment being \$1,800 – only attainable for households earning 120% area median income (AMI) or above. At the same time, many of Pittsburgh's more advantaged neighborhoods lack income-restricted or naturally occurring affordable housing options, with poor housing conditions from negligent landlords and otherwise aging housing stock also causing displacement in many neighborhoods. PCRG's positions on developing quality affordable rental housing, and the local, state, and federal policies that could contribute to their development are outlined below.

While the shortage of affordable rental housing predominantly affects very-low and low-income renters, there is still a significant number of moderate- to middle-income renters who are cost burdened (spending more than 30% of their gross income on housing). This is why it is necessary, in a city of renters, to have robust affordable housing options so that potential homeowners have an opportunity to save for a down payment. To best support Pittsburgh's renters, there is a need for a legally viable rental registry program and enhanced code enforcement procedures for rental units. PCRG intends to adopt an aggressive tenant's rights platform that includes allocating more funds to provide legal assistance for renters and evaluating an option to purchase and/or right of first refusal provision for renters living in one-to-four-unit houses.

## PCRG's Positions:

- ***Support affordable rental initiatives to help renters save for a down payment on a home.***
- ***Establish a legally viable rental registry program.***
- ***The Pittsburgh region needs better code enforcement procedures for rental units to hold landlords accountable to maintaining their properties.***
- ***PCRG must adopt an aggressive tenant's rights platform to protect Pittsburgh's renters through increased funding and legal assistance.***
- ***Support the right-to-purchase and/or right of first refusal provisions for renters living in 1-4-unit houses.***

## Low-Income Housing Tax Credit (LIHTC)

The Pennsylvania Low Income Housing Tax Credit Program (LIHTC) is a state-level tax credit program that has created thousands of affordable rental units in Pennsylvania since its creation in 1986. It is designed to encourage private investment in affordable rental housing for low-income families. The program offers tax credits to developers who build or renovate affordable rental housing for individuals or families with incomes at or below 60% AMI. Every year, the Pennsylvania Housing Finance Agency (PHFA) publishes their plan detailing how they will award the tax credits to developers. Last year PCRG met with state officials to attempt to influence this plan and lobbied for an increase in credits for developments built in a transit-rich area. This year, we will focus on broadening regional stakeholder input by reconvening our developer's roundtable. By facilitating these conversations with nonprofit CDCs (Community Development Corporations) and developers, we hope to gain an understanding of where LIHTC dollars are going and where they are most needed.

## PCRG's Positions:

- ***Reconvene the PCRG Developers' Roundtable to better understand current program needs.***
- ***Advocate with PHFA for annual LIHTC allocation planning.***
- ***Advocate for increased local 4% allocation***

## Whole Home Repairs

In 2022, the State Legislature passed the Whole Homes Repair Act, a first-in-the-nation grant program to fund repair and rehabilitation projects that allow people to stay in their homes. This \$125 million investment was made possible through federal funding from the American Rescue Plan Act. In Allegheny County, the Whole Homes Repair grant program will be administered by Action Housing – a non-profit affordable housing developer in Pittsburgh – and applications have been open since May 2023.

PCRG will continue to advocate for dedicated funding and administration of the program, while spreading awareness to eligible Allegheny County homeowners. The program should increase funding for rental repairs for “small” landlords (i.e., owning under 20 units). Additionally, PCRG calls to increase the cap for “small” landlords to up to 50 units, provided they make at least 15% of units affordable to low- or very-low-income renters.

**PCRG’s Positions:**

- ***Work with stakeholders and advocates to expand dedicated funding for Whole Home Repairs and spread awareness throughout the region about program requirements.***
- ***Advocate for increased funding for small landlords and to increase the threshold for “small” landlords to 50 units or less.***

**Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund (PHARE)**

PHARE was established to provide state and federal funds – as well as other funds from outside government sources – for the purpose of creation, rehabilitation, and support of affordable housing throughout Pennsylvania. The program is administered by the Pennsylvania Housing Finance Agency (PHFA) and receives funding from various sources, including the Marcellus Shale Impact Fee (Act 13 of 2012), the Realty Transfer Tax (Act 58 of 2015) and the National Housing Trust Fund (Housing and Economic Recovery Act of 2008). PHARE funds are allocated to county and municipal governments, as well as to nonprofit or for-profit organizations, for the development, rehabilitation, and preservation of affordable housing units. The funds may also be used for related activities such as homeowner counseling, foreclosure prevention, and rental assistance. PHARE funds are awarded through a competitive application process, and applicants are evaluated based on their ability to address local affordable housing needs, the feasibility of their proposed projects, and the level of community support for their initiatives.

There is currently a \$40 million cap on the fund such that, once the fund reaches \$40 million, additional funds spill over into the general state revenue fund. PCRG, along with other housing advocates, are working to expand the PHARE program and raise or remove the funding cap. This would increase vital funding for the development and preservation of affordable housing, as well as financial empowerment services (e.g., homeowner counseling), rental assistance, homelessness prevention (e.g., emergency shelter, transitional housing), and neighborhood revitalization.

**PCRG’s Positions:**

- ***Work with statewide and regional advocates and urge legislature to increase the funding cap from the current \$40 million to \$60 million.***
- ***Convene PCRG communities that utilize PHARE funding and help leverage additional project capital.***



## Federal Policies Related to Affordable Rental Units

PCRG is committed to supporting federal policies that further affordable housing development. The group supports reforms to government-sponsored enterprises like Fannie Mae, Freddie Mac, and the Federal Home Loan Bank (FHLB), to ensure that more affordable financing is available for housing construction. PCRG intends to put pressure on FHLB to use the products they are already equipped with to more effectively facilitate lending.

PCRG strongly supports the reauthorization and expansion of housing-related federal programs, including the Low-Income Housing Tax Credit (LIHTC) program, the New Markets Tax Credit (NMTC) program, project-based vouchers, and housing choice vouchers. These programs are critical in addressing the pervasive affordable housing crisis, which disproportionately impacts low-income communities and communities of color. LIHTC and the NMTC play vital roles in creating affordable housing by providing tax credits to investors who finance affordable housing projects in economically distressed areas. Additionally, project-based vouchers and housing choice vouchers have been effective tools in assisting low-income families who struggle to afford decent and safe housing. These programs have allowed families to move into higher opportunity areas and receive rental assistance that helps them avoid homelessness.

In addition to housing choice vouchers and project-based vouchers that assist individuals and family with rental housing costs, PCRG will continue to support and monitor the passage of government funding bills and stimulus packages that include rental and housing assistance for low-income families. One program that PCRG continues to monitor, and support is the Child Tax Credit program. It provides direct cash payments to families with children, which helps reduce their financial burden by subsidizing essential expenses such as housing costs. PCRG also supports the Emergency Rental Assistance (ERA) program, which provides funding to help renters who are struggling to pay rent and other housing-related expenses due to the COVID-19 pandemic. The ERA program can help to prevent evictions and keep families stably housed, which is critical for ensuring that individuals and families do not fall into homelessness.

PCRG believes that access to safe, stable, and affordable housing is a fundamental human right. By supporting government funding bills that include rental and housing assistance programs, we can help to ensure that all individuals and families have access to the housing they need to thrive. PCRG urges policymakers to prioritize these critical programs in their efforts to build a more just and equitable society.

### **PCRG's Position:**

- ***Support expansion and reauthorization of LIHTC, NMTC, project-based vouchers, and housing choice vouchers to further affordable housing development in the region.***
- ***Support the continuation of the Child Tax Credit program and the Emergency Rental Assistance program.***

## Expanding LIHTC through the Affordable Housing Credit Improvement Act (AHCIA)

The Affordable Housing Credit Improvement Act (AHCIA) was introduced in Congress in 2021 with the goal of strengthening and expanding the Low-Income Housing Tax Credit program. The proposed changes included increasing the number of affordable housing units created, incentivizing the development of affordable housing in underserved areas, expanding support for housing preservation, increasing the allocation of credits to states, and simplifying the program's compliance rules. The bill was designed to help increase the availability of affordable housing for low-income households in the United States.

In March of 2023, the Senate Finance Committee held a hearing on the role of tax policy in increasing affordable housing supply, of which LIHTC was a major focus. The hearing emphasized the importance of expanding and strengthening LIHTC by enacting provisions in AHCIA. Three of the five witnesses also mentioned the need for restoring the 12.5% allocation increase, lowering the 50% bond financing threshold to 25%, and enacting other priorities in the AHCIA. As of March 2023, the AHCIA legislation has not yet been reintroduced to Congress, but discussions are underway to prepare for reintroduction. To further our goal of increasing affordable housing in Southwestern PA, PCRГ will continue to advocate for our congressional leaders' support the passage of AHCIA and the expansion of LIHTC.

### **PCRГ's Position:**

- ***Monitor AHCIA and advocate for support from congressional leaders for the amendment to LIHTC at the federal level.***

## Affirmatively Furthering Fair Housing (AFFH)

PCRГ has been participating in a coalition of fair housing advocates throughout the region to strategize and draft a priority list of policy recommendations that will enhance fair housing policy at both the national and local levels. On February 9, 2023, the Department of Housing and Urban Development (HUD) published a Notice for Proposed Rulemaking for Affirmatively Furthering Fair Housing, a statutory mandate under the Fair Housing Act. This rule directs HUD to ensure that all program participants who receive HUD funding (as well as all executive agencies and departments of the federal government) proactively take meaningful actions to overcome patterns of segregation, promote fair housing choice, eliminate disparities in opportunities, and foster inclusive communities free from discrimination.

This rule seeks to reinstate portions of the Affirmatively Furthering Fair Housing rule, which was issued by the Obama Administration and formally rescinded by the Trump administration in 2020. It will also streamline the submissions required by program participants and enhance transparency and oversight by ensuring plan submissions are made public. Allegheny County has been deeply racially and socioeconomically divided by its history of redlining and other systemically discriminatory housing policies. Furthermore, a significant number of very-low- and extremely-low-income households remain cost-burdened despite living in what is nominally one of America's most affordable cities.

To combat these historic inequities, PCRG will continue to work with local fair housing advocates. When HUD releases the final AFFH ruling, we must work with the coalition to advocate for the enforcement of fair housing standards in Allegheny County. PCRG will be ready to work with the city, county, and state government, as well as public housing authorities to implement the final version of the AFFH rule.

#### **PCRG's Positions:**

- ***Submit a comment letter in response to the notice of proposed rulemaking for AFFH in support of reinstating the rule and tailoring the program requirements to make it more accessible for participants.***
- ***Continue to pressure local government stakeholders and HUD-funded developers to adhere to recommendations from the new rule.***

#### **Choice in Affordable Housing Act of 2023 (Senate Banking, Urban Affairs)**

The Choice in Affordable Housing Act of 2023 (S.32) was introduced in January 2023 and referred to the Senate Committee on Banking, Housing, and Urban Affairs. The bill would increase the number of landlords participating in the Housing Choice Voucher (HCV) program. As the program is currently reliant on the willingness of private landlords to accept vouchers, the bill would increase incentives offered to landlords, especially in distressed areas.

HCV is a critical source of rental assistance, enabling low-income, disabled, and/or elderly renters to rent a home on the private market (within payment standards set by HUD). Insufficient program funding means that hundreds of thousands of households that qualify for voucher assistance do not receive it, instead facing ongoing housing cost burdens while stagnating on lengthy waitlists. PCRG calls for this program to be fully funded so that all households who qualify for assistance can receive it. In addition, many HCV program participants are unable to access housing of their choice due to landlord discrimination against voucher holders. Federal legislation should prohibit this source of income discrimination. PCRG believes that expanding the HCV program will aid in our fight to preserve existing affordable housing and ensure access to renters of all incomes to affordable, healthy, and high-quality housing. PCRG will continue to monitor the progress of the bill, and, where necessary, provide education to our member base, local governments, and other stakeholders.

#### **PCRG's Position:**

- ***Monitor and support the passage of S.32 in expanding the HCV program to increase access to affordable, quality housing for low-income and vulnerable renters.***

#### **Neighborhood Homes Investment Act**

The Neighborhood Homes Investment Act (NHIA; S.657) was introduced in March 2023 and referred to the Senate Committee on Finance. The bill aims to create a federal tax credit to encourage investment in the development and renovation of 1-4 family housing in



distressed urban, suburban, and rural neighborhoods. The "value gap," where the cost of building or rehabilitating a home exceeds its post-construction value, is a significant barrier to revitalizing neighborhoods. The lack of capital for reinvestment in low-income neighborhoods exacerbates racial inequities and contributes to blight, vacancy, and abandonment. It also contributes to neighborhoods of majority homeowners becoming increasingly owned by absentee landlords. The NHIA estimates that every \$1 billion in investment would result in the construction or rehabilitation of 25,000 homes, \$4.25 billion in total development activity, 33,393 jobs, \$1.82 billion in wages and salaries, and \$1.25 billion in tax revenues. This tax credit could improve property values, increase family wealth, and indirectly enhance multiple determinants of health and well-being in America's residential communities. As this bill is in the preliminary stages, PCRG will continue to monitor its progress and have conversations with our representatives to remind them of the need in Pittsburgh and the potential impacts that this bill would have.

#### **PCRG's Position:**

- ***Monitor the progress and garner support for SB.657 to further community investment and affordable housing in the region.***

#### **Stop Predatory Investment Act (Legislative, Senate Finance Committee)**

PCRG has released research on corporate and real estate investment purchase patterns in the Allegheny County housing market, from 2010 to 2021. This report shows a troubling trend of an 9% increase of corporate and real estate investor purchases of housing (1-4 units), mainly targeted in historically Black and LMI communities. The trend presents an additional barrier for would be homebuyers, scooping up more available inventory. Many of these corporate purchases typically focus on smaller, more affordable homes, taking away starter homes that could otherwise go to first time homebuyers.

Because of our research, PCRG supports the Stop Predatory Investing Act (S. 2224), introduced by Senator Sherrod Brown (D-Ohio), which would amend the IRS code and deny interest deductions for taxpayers owning 50 or more single family properties.

#### **PCRG's Positions:**

- ***Support federal policy proposals such as the Stop Predatory Investment Act.***
- ***Adopt land use and land recycling policies that incentivize affordable homeownership opportunities, through new housing construction or housing rehabilitation.***
- ***Ban unwanted solicitation of home purchasing without the permission of the homeowner and create more transparency in limited liability companies engaged in housing transactions in the region.***

## Revitalizing Downtowns Act (Legislative, Senate Finance)

The Revitalizing Downtowns Act (H.R. 419) was introduced to the House in January 2023 and referred to the House Committee on Ways and Means. The bill amends the Internal Revenue Code to expand the investment tax credit. The amendment would establish a tax credit amounting to 20% of the expenditures to convert an office building for residential use. Since the start of the COVID-19 pandemic, many office buildings in downtown Pittsburgh have been underutilized or vacant, and the City has already begun the process of converting some of those units to residential properties to increase the supply of affordable housing. In support of this effort, PCRG will continue to monitor and advocate for the passage of the Revitalizing Downtowns Act to make more funding available for the conversion of these properties.

### **PCRG's Position:**

- ***Support the passage of H.R. 419 to incentivize conversion of office buildings to residential property in downtown Pittsburgh as a means of increasing affordable housing.***

## II. Advancing Equity for Minority-Owned Business through Access to Credit

Investing in minority-owned businesses helps address the historical disadvantages and barriers that have hindered the growth and prosperity of Black and other minority-owned businesses. By making credit more accessible for those businesses, we can begin to level the playing field and promote economic opportunities for all. Access to credit enables minority-owned businesses to expand their operations, invest in new ventures and create more job opportunities within their communities.

### Investing in Main Street Act of 2023

The Investing in Main Street Act of 2021 (H.R. 4256) was passed in the House and received by the Senate on November 3, 2021, where it was referred to the Committee on Banking, Housing, and Urban Affairs. The act proposes amending the Small Business Investment Act of 1958 to increase the amount that certain banking entities may invest in small business investment companies (SBICs) to 15%, subject to the approval of the appropriate federal banking agency. PCRG will monitor the progress of this bill and support its passage to further our mission of increasing access to capital for small businesses. PCRG will also educate our members and stakeholders as appropriate.

#### **PCRG's Position:**

- ***Monitor the progress of H.R. 4256 and support its passage in the Senate.***

### Special Purpose Credit Programs (FDIC, OCC, FED, HUD)

Special Purpose Credit Programs (SPCPs) – permitted under the Equal Credit Opportunity Act (ECOA) – are designed to provide financing to specific underserved or disadvantaged groups, such as minority-owned businesses and low-income and rurally-based individuals. Some examples of SPCPs include community development financial institutions (CDFIs), which offer financing to underserved communities in the United States, and minority business development agencies, which provide resources and financing to minority-owned businesses. The goal of SPCPs is to address gaps in traditional lending markets and provide access to credit for those who may not otherwise have it. These initiatives often offer loans with more flexible terms, lower interest rates, and reduced collateral requirements to help borrowers overcome barriers to obtaining credit. By supporting underserved communities and promoting entrepreneurship, these initiatives can help to reduce inequality and promote economic development.

In February 2022, the FDIC, the OCC, and the Federal Reserve issued a joint statement to remind creditors of their ability to establish SPCPs and provide guidance on how to successfully implement them. PCRG will do its part at the local level to help develop programs to reach underserved markets, including continuing and expanding SPCPs at local banks, and through the Community Growth Fund. SPCPs will be a vital tool in furthering racial and economic justice through access to capital and targeted investment in our communities.

### **PCRG's Positions:**

- ***Increase awareness and understanding of SPCPs, grow existing programs, and work with creditors to establish new ones.***
- ***Establish 5 new programs, and work with creditors to promote the new ones.***

### **Section 1071 of the Dodd-Frank Act & the Equal Credit Opportunity Act**

In March 2023, after 20 years of advocacy, the Equal Credit Opportunity Act (ECOA) was amended by Section 1071 of the Dodd-Frank Act to require financial institutions to collect, maintain, and submit data regarding credit applications by women-owned (Women Business Enterprise or WBE), minority-owned (Minority Business Enterprise or MBE), and small businesses (Small Business Enterprise or SBEs) to the Consumer Finance Protection Bureau (CFPB). This was done to address the lack of information about how many WBEs, MBEs, and SBEs apply for loans at financial institutions each year, how many are denied, and the loan terms and pricing for these businesses. Despite the significant role that SBEs, WBEs, and MBEs play in driving economic and job market growth, there are major gaps in the data around how they access credit, which compromises federal regulators' ability to address the significant racial and gender disparities that are observed in other lending.

In March 2023, the Consumer Finance Protection Bureau issued the final 1071 rule. The rule requires lending institutions to report demographic information about applications for small business loans, including race, ethnicity, and gender of the business owners. The proposal would bring much-needed, uniform transparency to the small business credit market by collecting data on applications and lending to SBEs, WBEs, and MBEs. As the rule is now finalized, PCRG urges the CFPB to engage in robust fair lending oversight and enforcement where 1071 data reveals potential discrimination. In addition, 1071 data will be an illuminating new component of the Community Reinvestment Act framework, enabling federal bank regulators to assess bank performance in small business lending. This newly available data will also contribute to PCRG's research in the Pittsburgh area and allow us to better monitor CRA compliance and racial equity in lending practices.

To protect this newly increased transparency, PCRG urges Congress to oppose bills that would weaken Section 1071 small business loan disclosures, such as those that would reduce the number of lending institutions that reporting 1071 data or those that would limit the collection of data relating to an applicant's race or ethnicity. PCRG would also oppose any legislation that limits access to the proposed Section 1071 public sector database.

### **PCRG's Positions:**

- ***Utilize section 1071 data to understand and advocate for equity in regional lending practices.***

- ***Use section 1071 data as a tool to support PCRG's role as a CRA watchdog.***
- ***Monitor and oppose any federal legislation that limits the transparency granted through Section 1071.***

### Expanding Access to Capital for Rural Job Creators Act

Rural small businesses often experience unique challenges obtaining capital to launch or expand their businesses. The Expanding Access to Capital for Rural Job Creators Act would require the Securities and Exchange Commission (SEC) to submit an annual report on the capital challenges rural small businesses face and enable Congress to determine if legislative action is needed. Currently, the law requires reports for challenges encountered by minority-owned small businesses, women-owned small businesses, and small businesses affected by natural disasters. The bill (H.R. 298) was passed in the House in January 2023, and has been referred to the Senate Committee on Banking, Housing, and Urban Affairs. Pennsylvania State Senator Fetterman sits on this committee, and PCRG intends to engage him in conversation around Southwestern PA's priorities and concerns regarding this piece of legislation. We will continue to monitor the progress of this bill, and advocate for support for its passage as part of our mission of increasing access to capital for underserved communities.

#### **PCRG's Position:**

- ***Monitor and support H.R. 298 to increase transparency around challenges to accessing capital faced by small businesses in rural areas with the intent to inform future advocacy and programming to Southwestern PA's rural communities.***

### Close the Shadow Banking Loophole Act

The Close the Shadow Banking Loophole Act (S.5189) was introduced in December of 2022 and referred to the Senate Committee on Banking, Housing, and Urban Affairs. The Act proposes that nonbank commercial companies that seek to operate like banks through an industrial loan company (ILC) raise systemic financial stability, competition, and consumer protection concerns. ILCs are state chartered banking institutions whose holding companies are not subject to consolidated supervision by the Federal Reserve, as are all other bank holding companies. The result is that traditional banks, with their regulatory safeguards, are at a competitive disadvantage with ILCs.

To maintain a level playing field in the banking industry, protect consumers, and ensure the safety and soundness of the financial system, legislation is needed to limit agency overreach and close the ILC loophole. Congress must close this loophole to make sure entities that engage in banking are required to follow the same rules and consumer protections as every other bank. PCRG will monitor the progress of this bill and advocate for its passage as part of our CRA and other advocacy efforts to hold banks accountable to fair lending and community investment.

## **PCRG's Position:**

- ***Monitor and support the passage of S.5189 to close the shadow banking loophole.***

## **Codify the Community Advantage Loan Program**

Initially launched in 2011, the Community Advantage (CA) Loan program is a pilot administered by the Small Business Administration (SBA) that is intended to increase access to capital for underserved small business borrowers by allowing mission-focused, community-based lenders (like CDFIs) to offer the loan program to small businesses. Depending on the loan amount, approved loans include an up to 85% loan guarantee from the SBA.

This program provides access to credit to underserved borrowers served by CDFIs. As many CDFIs are loan funds without deposits on which to rely, they must instead source affordable lending capital to make credit available to their borrower communities. The SBA guarantee on CA loans provides CDFIs with a higher degree of likelihood of being able to sell those same CA loans so they may recapitalize their loan fund and continue providing affordable capital to their communities.

The SBA Community Advantage Loan program remains a pilot which is set to expire September 30, 2024. We support the advocacy of our national partner NCRC (National Community Reinvestment Coalition) in working with SBA and its members to modify the loan program's underwriting guidelines for inclusivity, including the removal of criminal background as a disqualifier for funding. We support the passage of legislation to codify these changes and make the CA loan program permanent to retain this resource as an ongoing, permanent improvement in access to credit for underserved small business borrowers.

## **PCRG's Position:**

- ***Codify the Community Advantage Loan Program to support CDFI's in providing capital to underserved communities.***

### III. Advancing Equity through a Stronger Community Reinvestment Act

#### Implementing a strong, modernized CRA

Since its inception in 1988, PCRG has been dedicated to promoting reinvestment by financial institutions, as well as being a regional resource for the Community Reinvestment Act (CRA). Under the CRA, banks have a legal obligation to lend in low- and moderate-income (LMI) census tracts. Failure to do so can result in a downgrade from federal regulators preventing banks from opening or closing branches, preventing mergers and acquisitions, and – in worst case scenarios – result in the regulator taking over the bank. PCRG pledges to continue holding banks accountable for their CRA commitments and to any previously agreed upon merger commitments or community benefits agreements. PCRG’s role as a CRA watchdog has led to us recently, in conjunction with our partners at the National Community Reinvestment Coalition, speaking out against KeyBank for its poor nationwide performance in LMI and minority lending.

CRA modernization refers to the current movement of watchdog groups, like PCRG, calling on regulatory agencies to expand the activities and agencies covered under CRA. CRA modernization seeks to make the CRA relevant for today’s consumers, communities, and lending institutions so that it has the same impact on communities and markets as it did when it was first enacted in 1977. This included clarification and updates to eligible activities for CRA credit, performance measures/indicators, and reporting transparency. More specifically, the updates would expand eligible activities, increase focus on LMI individuals, preserve institution branches in LMI areas, increase support for small businesses and farms, increase financial support in rural and underserved areas, and provide greater flexibility to small banks.

PCRG continues to support a robust, modernized Community Reinvestment Act, as evidenced by our advocacy over the last 4 years and our submission of a comment letter on the proposed CRA rule in August 2022. PCRG calls for the incorporation of race and ethnicity data in CRA exams to directly address the issue of racial discrimination for which it was created. Additionally, the CRA should examine lending by race and ethnicity in geographical areas experiencing ongoing discrimination or exhibiting significant racial disparities in lending. We also continue to advocate for the expansion of data provided by banks on small business lending activities to federal regulators, also known as Section 1071 of the Equal Credit Opportunity Act (Dodd-Frank Act).

PCRG will continue to be a local leader and voice in the negotiation of community benefits agreements (CBA), and we continue to use the CBA process to further equitable lending and development practices throughout the region. PCRG eagerly awaits the release of the final CRA modernization ruling, at which point we will begin to educate community organizations on those updates.

## **PCRG's Positions:**

- ***Continue to publish our Annual Mortgage Lending Study to provide transparency around home mortgage lending and to create appropriate metrics to evaluate banks and other lenders.***
- ***Monitor the progress of CRA modernization and continue to educate community organizations on final CRA changes.***
- ***Continue to monitor bank activity to ensure fair lending practices.***
- ***Weigh in on local bank mergers and mitigate their impact on the market.***
- ***Improve public input mechanisms for PCRG members around CRA issues.***
- ***Reduce CRA rating inflation by supporting a modernized CRA process that accurately assesses distinctions in bank performance.***

## **Racial Discrimination in Appraisal Bias**

One of the greatest contributing factors to the racial homeownership gap is discrimination and bias in the appraisal process. The appraisal process is a vital step in purchasing a home as it assures the purchaser and their lender that the price at which they have agreed to purchase a home is fair with respect to the current market. The appraiser determines the fair-market value of a home, which often determines the property taxes for an area. Research like that from Freddie Mac and the Brookings institute has shown that Black buyers and other non-white buyers, on average, have their homes appraised at a lower value than white buyers. Research also shows Black neighborhoods are associated with lower overall property values. Barriers to homeownership are barriers to wealth, and the discrepancy must be addressed through a variety of strategies to help Black and other persons of color build wealth through owning a home.

## **PCRG's Positions:**

- ***The Appraisal Foundation should take steps to enhance inclusiveness and ensure the voices of civil rights and consumer advocates are included in a meaningful way on their board of trustees and in their rulemaking procedures.***
- ***The Appraisal Standards Board should revise the Uniform Standards of Professional Appraisal Practice ("Appraisal Standards") to clearly state that discrimination in appraisals is prohibited and to require appraisers to identify mortgage borrowers as "intended users" of appraisals.***
- ***Fair housing training should be a required prerequisite for every appraiser to and/or maintain their credentials.***



- ***Standards for the continuing education course should be revised immediately to ensure the training is comprehensive and accurate.***
- ***The Appraisal Foundation should work closely with the U.S. Department of Housing and Urban Development, the U.S. Department of Justice, the Federal Housing Finance Agency, and other regulators and enforcement agencies to develop, improve, and implement fair housing training.***
- ***Government Sponsored Enterprises (GSEs), lenders, appraisers, and civil rights and consumer advocates should use data science tools to develop more robust compliance management systems to prevent and remedy fair housing violations in appraisals.***
- ***The Appraisal Foundation, government entities, GSEs, and lenders should develop standards and guidance for appraisers regarding the Reconsideration of Value process to ensure fairness, transparency, and accountability.***

### Fair Access to Banking Act

The Fair Access to Banking Act (S.293) was introduced in the Senate in February 2023 and referred to the Committee on Banking, Housing, and Urban Affairs. The bill would amend the Federal Reserve Act to ensure fair access to financial services and fair treatment of customers by financial service providers. It would also protect against any impediment to lawful commerce by banks based on anything other than quantitative, impartial risk-based standard. This act would provide consumer protection against prejudice in accessing financial services. As part of PCRG's role in monitoring fair lending in the region, we support this bill, and we will continue to monitor its progress on the federal level.

#### **PCRГ's Position:**

- ***Monitor and support the passage of S.293 to ensure consumer protections against discrimination in financial services.***

## IV. Advancing Equity through Access to Land Recycling Tools for Communities

Addressing historical disparities and systemic inequities related to land access in neighborhoods is a priority for PCRG, as we know that marginalized communities face barriers to acquiring land for redevelopment or community revitalization projects. By enhancing and promoting equitable access to land recycling tools like land banks, communities will have a fair chance to participate in economic growth and community revitalization efforts. Land recycling tools promote inclusive economic development by creating affordable housing, redeveloping greenspaces, and eliminating blight. Additionally, by putting unused property back on the tax rolls, communities will benefit from future tax revenue, furthering economic growth.

### Pittsburgh Land Bank

For the Pittsburgh Land Bank to be fully operational, there needs to be more unified and comprehensive support from the City of Pittsburgh. One of the defining struggles of the City of Pittsburgh has been the failure to effectively launch the Pittsburgh Land Bank (PLB). PCRG, and members of its Vacant Property Working Group (VPWG), have repeatedly offered their technical expertise to the PLB Board of Directors, as well as the Urban Redevelopment Authority of Pittsburgh and PLB staff. While PCRG and advocates saw some progress at the end of 2022, the overall effort has been woefully inadequate since the PLB's creation in 2014.

PCRG's priority for 2023 is to ensure the Board, stakeholders and governmental entities leading the organization prioritize intergovernmental cooperation agreements, installing the core operating tools to advance property recycling. These include Pittsburgh Public Schools, Allegheny County, Pittsburgh Water and Sewer Authority (PWSA), the URA, and the City of Pittsburgh. We are committed to making sure the PLB becomes operational in 2023 and we will continue to work through the existing legislative and technical hurdles with the city and other stakeholders, including many of our city-based members.

#### PCRG's Positions:

- ***Advance intergovernmental cooperation agreements to grow Pittsburgh Land Bank powers, enabling the governmental parties (PLB, URA, CITY) to acquire property from each other.***
- ***Pittsburgh Land Bank must build a team of contractors to enable them to advance the acquisitions and title clearing process.***
- ***Dedicate financial support to adequately expand staff & consultants and to maintain long term operations of the Pittsburgh Land Bank.***
- ***Recycle at least 10 housing units, lots, or parcels before the end of 2023; recycle over 300 housing units, lots, or parcels by 2024.***

## Investment in Government Infrastructure

PCRG calls for an increase in funding for the Departments of Finance, City Planning, and Permits, Licenses, and Inspection (PLI). We support increased funding to the Department of Finance for the purpose of hiring additional staff to manage the Pittsburgh Property Reserve program (A.K.A. PPR; the current land recycling program for city-owned properties in tax delinquency) until the Pittsburgh Land Bank can be fully functional. This should also improve communication with community stakeholders on the process of recycling properties and vacant land. PCRG also recommends an increase in funding to the Department of City Planning to provide improved support to neighborhoods and to help develop paths to communities of opportunity. PCRG will continue to wield its knowledge and experience to advocate for the necessary funding and guide the implementation of programs to develop neighborhood capacities. Additional attention should be given to the PLI so that it does not continue to burden residents and small businesses with bureaucratic red tape and poor logistical systems. If the PLI hopes to function at its fullest capacity, efforts need to be made to drastically increase their operational efficiency and effectiveness.

### **PCRG's Positions:**

- ***Increase funding to the City Department of Finance to hire staff to manage the property reserve program and enhance communication with community stakeholders.***
- ***Increase funding to the Department of City Planning to provide capacity building services to facilitate the development of strong market communities while preserving opportunities for our low-income and workforce residents.***
- ***Dedicate efforts to operationalizing the PLI by improving its efficiency and effectiveness.***

## Regional Blight Task Force

PCRG continues to take part in longstanding discussions around tackling blight at the state level. The group has been representing Southwestern PA in informal discussions with a consortium of state legislators that meet in Harrisburg to talk about blight at the state level. PCRG's leader participates in smaller meetings around the state to understand existing needs and conditions. PCRG already convenes member groups around issues of blight and vacancy through our Vacant Property Working Group (VPWG) and is prepared to engage in these regional blight-remediation discussions. By fostering this opportunity for state leaders to understand the needs of Southwestern PA communities, PCRG hopes to leverage support toward creating a regional taskforce, supported by the state group.

### **PCRG's Position:**

- ***Bring local and regional blight-related concerns and needs to the attention of state legislators through regular conversations with state-level***

## ***blight consortium leader.***

### Disruptive Property Committee

PCRG supports the revival of the City of Pittsburgh's Disruptive Property Committee, which was established in a collaborative effort with the Department of Public Safety in 2006. The Disruptive Property Board of Appeals helped combat neighborhood blight by holding absentee property owners accountable. While the committee has been dormant for years, the Gainey mayoral administration has pledged to commit resources to addressing nuisance properties in Pittsburgh neighborhoods, and PCRG will prioritize filling open seats on its Board of Appeals.

#### **PCRG's Position:**

- ***Reestablish the Disruptive Property Committee.***

### State/Regional Land Bank Network Initiative

Back in 2012, PCRG was part of a statewide group that successfully advocated for the adoption of state Act 153 of 2012, which allowed for the creation of land banks. This legislation facilitated the acquisition of distressed and abandoned properties by community groups and private entities seeking to revitalize neighborhoods. However, since its creation, the Pittsburgh Land Bank has had difficulty clearing property titles, having only fully acquired a few properties to date. As part of its push for functioning land recycling systems in the region, PCRG plans to continue convening its Vacant Property Working Group and to convene a council of community development actors and stakeholders to identify the needs of local and regional land banks and land trusts. We will also advocate for technical assistance/resources and responsive legislation at the state level.

#### **PCRG's Position:**

- ***Convene a council of community development stakeholders to identify state-level advocacy needs of local/regional land banks and land trusts.***

### Municipal Claims Tax Lien Law (MCTLL)

PCRG's top state legislative priority pertaining to land recycling is amending the Municipal Claims Tax Lien Law (MCTLL) to allow land banks in second class cities and counties to acquire properties at sheriff's sales at amounts equal to the outstanding claims and liens against the properties, regardless of bids by other parties. This would streamline the bidding and foreclosure process, more efficiently returning valuable land to productive use for our communities. The MCTLL amendment was on the cusp of becoming law in the last legislative session, and, with a new Democratic majority in the House of Representatives and the new governor, there is finally a chance of it passing. On May 9, 2023, the Senate Urban Affairs and Housing Committee unanimously passed the amendment (SB 202), and it now moves on to the full senate for consideration. PCRG will continue to monitor the progress of the MCTLL amendment and keep members updated on its progress.

## **PCRG's Position:**

- ***Continue to advocate for support from state legislators and monitor SB 202 to stay informed on any progress.***

### **Federal Resources for Land Banks**

Even though landbank policies and procedures differ from local jurisdictions and are under the regulations of state enabling law, the federal government should have a role in developing and fostering support for land banks. Too many landbanks are not operationally sustainable until they generate funding from property sales and/or receive an infusion of funds from private sources – which can take years. Additionally, startup costs for land banks are burdensome, and important research and data collecting on property inventory is not possible because of a lack of funding and capacity. The Federal government should provide resources directly to land banks looking to remediate blight from their neighborhoods. PCRG has worked with Senator Casey's office and other stakeholders on the Neighborhood Revitalization and Land Banking Act of 2023, which will provide direct funding from Housing and Urban Development to land banks for mapping activities, planning, property reuse plans and fellowship grants for land banking research and education.

## V. Advancing Equity through Increasing Community Based Organizations Capacity

### Registered Community Organization Legislation (City of Pittsburgh)

In 2018, the City of Pittsburgh passed the Registered Community Organization (RCO) Ordinance, which formalized the role of grassroots community groups in the planning and development process. While community organizations can serve as a voice for their neighborhoods on issues of land use and development, they seldom have the capacity or authority to hold developers accountable to community needs. The RCO program enables these organizations to be more involved in development projects in their neighborhoods by providing notification of public hearings, guaranteeing meetings with developers, and involving them in creating official neighborhood plans adopted by City Planning. To maintain their RCO status – which must be renewed biennially – RCOs must function as a liaison between residents, the Department of City Planning (DCP), and the developer, including holding meetings and maintaining an active communications system.

While RCO registration is free, the process can be prohibitively time consuming for these often understaffed or understaffed organizations. Other cities that have adopted RCO programs, like Philadelphia, provide technical resources to support community organizations in getting registered, maintaining their registered status, and development process trainings and RCO responsibilities. PCRG has been involved in Pittsburgh's RCO legislation since its introduction and recognizes the need for dedicated, line-item funding for the program. During the development of the next city budget, PCRG will advocate for the necessary funding to allow DCP to provide educational and capacity-building programming to better support RCOs. PCRG will seek to provide technical assistance and other support to RCOs to help them get registered and keep up with program obligations.

#### **PCRG's Position:**

- ***Push City officials to set aside dedicated, line-item funding for training and technical support to support community organizations through the Registered Community Organization (RCO) Program.***

### Build Transparency in Public Investments

PCRG will work toward building back transparency in public investments through partnerships with the Urban Redevelopment Authority of Pittsburgh (URA) and Allegheny County Economic Development (ACED). To this end, PCRG has secured a commitment from the URA's Executive Director, Susheela Nemani-Stanger, to conduct routine meetings with our city-based membership as part of the URA Community Advisory Group and to consider our input on current policies and procedures, programs, and funding deployment.

#### **PCRG's Position:**

- ***Facilitate regular meetings between the director of the URA and PCRG's city-based members to learn, inform, and innovate programs that support LMI residents and small business.***

### Advocate for State Resources to Assist Small and Low-Income Communities

Most small and low-income municipalities do not have resources to hire grant writers to write and submit applications to pursue state funds for critical community projects. PCRG will advocate for the passage of the Municipal Grant Assistance Program (H.B. 1216) to provide municipalities with grant writing training and allow for professional grant writers to connect with municipalities to provide their services. The program would also provide funding to assist municipalities with the cost of professional grant writing contracts. By advocating for this state funding, PCRG will promote equity and help low-income communities compete on equal footing.

#### **PCRG's Position:**

- ***Advocate for H.B. 1216, which will create a program within the DCED for grant writing services.***

## VI. Advancing Equitable Community Development & Revitalization

### Neighborhood Economic Development (NED) Program

Formerly known as the Advisory Committee on Community-Based Organizations (ACCBO), the Neighborhood Economic Development (NED) grant program distributes HUD funds through the City Office of Management and Budget for nonprofits to carry out economic development activities in certain neighborhoods. Funding from this program, as part of the Community Development Block Grant (CDBG) program, can be used for projects involving the development, acquisition, and disposition of real estate as well as affordable housing development. It can also be used to cover predevelopment costs and project management for housing rehab, neighborhood planning that leads to the selection of development sites, small business technical assistance, eviction prevention and renter counseling, and general capacity building. NED grants are highly competitive and are a crucial resource for projects carried out with or led by community organizations. To further equitable, community-oriented development, PCRG urges the city to provide additional line-item funding in the operating budget for NED and other community development tools.

#### **PCRG's Position:**

- ***Increase funding to the NED grant program to increase equitable community development within the City of Pittsburgh.***

### Neighborhood Assistance Program

The Pennsylvania Neighborhood Assistance Program (NAP) is a tax credit program intended to encourage businesses to invest in projects which improve distressed areas. Projects pertaining to affordable housing, community services, crime prevention, education, job training, or neighborhood assistance are eligible for a tax credit of up to 55%. However, certain projects may receive more by applying to one of the NAP's three sub-programs: the Neighborhood Partnership Program (NPP), the Special Program Priorities (SPP), or the Charitable Food Program (CFP). These sub-programs provide additional credit to projects that meet a certain time-scale threshold (5+ years for the NPP), address a particular need of the distressed community (SPP), or improve food security for low-income populations (CFP). The NAP program is designed to support a wide range of community development activities, including job training, affordable housing development, community services, and neighborhood revitalization initiatives. As such, it serves as a valuable tool for stimulating private investment in Pennsylvania's communities and helping to promote economic growth and job creation throughout the state, especially for small cities and rural communities.

NAP tax credits have proven to be crucial tools for community development in our region, and the program has played a vital role in PCRG's capacity-building for our member organizations. As public funding opportunities are often opaque and inaccessible, we continue to help smaller and developing organizations, like the Sharpsburg Neighborhood Organization and the Washington Citywide Development Corporation, navigate public funding opportunities like the NAP program through our Reimagining Communities



Initiatives (RCI). The NAP program is highly competitive, and, while funding for it has recently increased (from \$18 to \$36 million annually), the demand for the program continues to grow. As such, PCRG is calling for an increase in the funds to keep up with the need, and to avoid leaving millions of dollars in potential investments on the table.

**PCRG's Positions:**

- ***Increase the NAP fund to at least \$72 million annually.***
- ***Increase the NAP tax credit levels to complete with other programs like the Earned Income Tax Credit.***

**Mixed-Use Development Tax Credit (MUDTC)**

PCRG will continue to advocate for the passage of Senate Bill 679, which was introduced on May 3, 2023. The Bill would increase the cap on the available tax credits under the Mixed-Use Development Tax Credit (MUDTC) Program from \$4.5 million to \$15 million to support the development of projects in underserved areas. MUDTCs are used by the Pennsylvania Housing Finance Agency (PHFA) to fund the development of projects in targeted areas of the Commonwealth that are underserved or have significant need. The program supports developers and organizations that are committed to increasing affordable housing and commercial corridor improvement through the rehabilitation or creation of mixed-use developments. This program has enormous potential to benefit smaller downtown areas such as the City of Washington, which is a priority area through our Reimagining Communities Initiative (RCI).

**PCRG's Position:**

- ***Supporting the passage of S.B. 679 to increase funding cap for MUDTCs.***

**Redevelopment Assistance Capital Program (RACP)**

The Redevelopment Assistance Capital Program (RACP) of Pennsylvania is a grant program that provides funding for regional economic, cultural, civic, and community development projects. The program aims to stimulate economic growth and job creation by investing in capital projects that promote public-private partnerships and leverage additional investment. RACP funding can be used for a wide range of activities such as acquisition of land, construction or renovation of facilities, and purchase of equipment. The program is administered by the Office of the Budget, and applications are evaluated based on their potential to create jobs, generate private investment, and promote community development. To be eligible for RACP funding, applicants must demonstrate that their project has a significant impact on their community, is economically viable, and has strong support from local stakeholders. The program typically requires a local match, which can be in the form of cash, in-kind contributions, or other financing sources.

While the RACP is already an integral tool for economic development in the Commonwealth, there is a need to reform the program to better serve smaller communities. The RACP is one of the most sought-after and competitive state grant funding sources and has invested millions of dollars in projects that create employment,

tax revenues, and greater economic activity for communities. However, the program's funding is limited, and demand often exceeds available resources, leading to a competitive application process. This can create challenges for smaller or less well-connected communities or organizations that may struggle to secure funding for their projects. Additionally, the program's emphasis on large-scale capital projects has often burdened smaller, community-based initiatives that may have a more significant impact on local economic development. This means that some worthwhile projects struggle to get the funds, while larger, more high-profile projects receive more resources and attention. PCRG supports reforming the Redevelopment Assistance Capital Program (RACP) to address these issues.

**PCRG's Position:**

- ***Reform the RACP to create a dedicated funding stream for smaller projects and reduce regulatory burden.***

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