The Model: Diversifying Neighborhood Housing, Reducing Student Demand, and Institutional Support for Affordable Housing

INTRODUCTION/OVERVIEW

The University of Pittsburgh (Pitt) is a state-related research university situated in Pittsburgh’s Oakland neighborhood, an urban community (1.5 square miles) characterized by its significant eds-and-meds presence and large student population. Pitt is the largest anchor within the neighborhood, enrolling almost 30,000 students at its Pittsburgh campus (26,500 full-time students) with a large undergraduate population (nearly 20,000) and approximately 9,250 graduate students (University of Pittsburgh: Office of Institutional Research 2022). Other Oakland anchors include Carnegie Mellon University (approximately 14,000 students in 2018), Carlow University (approximately 2,000 students in 2018), three hospitals, including University of Pittsburgh Medical Center facilities (UPMC), and cultural institutions, including the Carnegie Museums of Art and Natural History (City of Pittsburgh and Goody Clancy 2020).

The strong presence of Pitt, as well as its peer anchor institutions, in Oakland have long shaped neighborhood discussions with the institution representing an opportunity, as well as a source of tension between long-term residents and student populations (Folts 2022). Pitt’s 2021 Institutional Master Plan and the City of Pittsburgh’s Oakland Plan highlight the growth potential for the neighborhood, aligning redevelopment and increased neighborhood density with opportunities to bring more job and housing diversity into the community while leveraging the area’s potential as a significant hub for research and innovation in Pittsburgh and beyond. Drawing from research underscoring Pittsburgh’s potential as a global innovation economy (Andes et al. 2017), the City points to similarities between the Oakland neighborhood and other peer innovation neighborhoods, including the University of Pennsylvania’s University City, MIT’s Kendall Square, and Atlanta’s Midtown Tech Square neighborhoods (City of Pittsburgh and Goody Clancy 2020).

Yet, the City, local anchors, and neighborhood residents also identify a number of challenges in Oakland, particularly related to neighborhood stability, quality of life, and diversity (City of Pittsburgh and Goody Clancy 2020; Folts 2022). While Pitt’s peer innovation neighborhoods have experienced growth in recent years, Oakland’s non-student population has been shrinking and trending away from a more balanced community. Existing conditions tell the story of a college-centric neighborhood with a high density of young people (15 to 24-year olds), but decreasing household heterogeneity with respect to young professionals (25 to 34-year olds) and the loss of family households (now representing fewer than 20 percent of total households). These demographic shifts are coupled with high rental rates (nearly 80 percent of all dwelling units) and very tight housing market conditions, with planning efforts noting challenges related to housing quality and diversity of housing stock that impedes the neighborhood’s ability to attract non-students, including anchor-affiliated faculty and staff, as well as retain long-term residents.

Collectively, Oakland’s existing conditions and its rich anchor institution composition have sparked conversations around the neighborhood’s identity and future growth. In recent years, the City has put forth a long range vision for what Oakland could be (City of Pittsburgh and Goody Clancy 2020). Simultaneously, Pitt’s Institutional Master Plan lays out numerous strategies to amplify its role as a collaborator, contributor, investor, and catalyst in creating a more balanced future for Oakland (University of Pittsburgh 2021).
BACKGROUND: PITT IN THE OAKLAND NEIGHBORHOOD

The Oakland neighborhood is an urban community east of downtown Pittsburgh. The area includes approximately 20,000 residents—with two-thirds (approximately 13,000) falling between the ages of 15 and 24 years old—and weekday populations exceeding 100,000 during the academic year, as people travel into the neighborhood to work and study at its three universities and several K-12 institutions (City of Pittsburgh and Goody Clancy 2020). This case study references Oakland as a whole, though the area is subdivided into four city-designated neighborhoods: North, Central, South, and West Oakland. The area is roughly bounded by the Monongahela River to the south, Schenley Park to the east, Centre Avenue to the north, and Kirkpatrick Street to the west (see Figure 1).

Between 2020 and 2022, the City of Pittsburgh undertook an extensive neighborhood-level planning effort for Oakland, including Pitt and its peer anchors, neighborhood organizations, and local residents (Gratzinger 2022). The process resulted in an existing conditions report for the area that assessed neighborhood change over time and established current neighborhood needs, emphasizing the need for investments in affordable housing and livability (City of Pittsburgh and Goody Clancy 2020). Broadly speaking, the report contextualized Oakland as an eds-and-meds district, claiming 36 percent of the city’s total healthcare job base and 66 percent of its education-based workforce. Its land use mix is largely divided between institutional (27 percent) and residential (34 percent) uses, which includes an extremely high share of one- and two-person households (nearly 80 percent) and low owner-occupancy rates (approximately 25 percent, relative to 48 percent citywide). When compared to peer innovation neighborhoods in Philadelphia, Boston, and Atlanta, Oakland has many of the same institutional components, but its neighborhood is substantially more student-dominated and lacks socioeconomic diversity, which has likely contributed to its shrinking population trend (unlike its peers).
The existing assessment is complemented by a 10-year community plan, encompassing local government and stakeholder goals, priorities, and programs for the neighborhood’s community, development, infrastructure, and mobility (City of Pittsburgh n.d.). The City Council adopted the plan in mid-2022, which identifies a wide range of goals. In the housing arena, some notable priorities include (City of Pittsburgh n.d.):

- Supporting more housing diversity within the neighborhood, including a better balance of both rental and owner-occupied opportunities and housing that targets a wider range of incomes;
- Expanding the overall housing supply, with specific aims to increase student-focused housing supply (addressing the neighborhood’s substantial demand) and expand affordable housing options for low-income workforce households; and
- Identifying strategies to mitigate displacement in Oakland, with an emphasis on stabilizing long-term residents and non-student populations.

Lastly, the plan includes a series of implementation strategies, identifying specific actions, stakeholders, and timelines that align with the neighborhood’s broad vision for its future. Some of these strategies are already in effect, including the City Council’s adoption of an inclusionary zoning overlay district for Oakland to address affordable housing demand (Gratzinger 2022). Meanwhile, other strategies include recommendations to establish a City-managed trust fund that is tied to existing zoning and development processes, creating a pool of funds to support affordable housing; examine opportunities for “missing middle” housing within Oakland to expand housing choice; and partner with the neighborhood’s anchor institutions to create employer-assisted housing programs that could expand and diversify Oakland’s residential base (City of Pittsburgh n.d.).

ANCHOR STRATEGIES TO ADDRESS AFFORDABLE HOUSING: LEVERAGING PITT RESOURCES AND PARTNERSHIPS TO ADDRESS STUDENT, NEIGHBORHOOD, AND INCLUSIONARY HOUSING

Pitt embodies an active and large anchor in the Oakland neighborhood with a substantial impact on the character of the community owing to its student population, as well as its opportunities to contribute to the Oakland Plan’s priorities to attract professionals and “missing middle” households back into the area. As a major community stakeholder, Pitt has established several partnerships with community-based organizations and other stakeholders to help support larger neighborhood goals. Its investments fall into four broad anchor strategies that contribute to affordable housing production and neighborhood stabilization.

FOUR APPROACHES TO HOUSING IN PITTSBURGH’S OAKLAND NEIGHBORHOOD

APPROACH 1: LEVERAGING PITT’S STUDENT HOUSING INVESTMENTS TO MITIGATE STUDENT-DRIVEN HOUSING DEMAND AND SUPPORT NEIGHBORHOOD STABILIZATION

As the largest university anchor in Oakland, Pitt attracts a substantial student population into the area. The university houses 97 percent of its first-year students on campus and its existing on-campus supply includes more than 7,850 beds (University of Pittsburgh 2019). Yet, Pitt also recognized a significant need for additional supply in its future, citing an unmet demand for student housing that spills into off-campus housing markets (University of Pittsburgh 2021). Thus, the university’s Campus Master Plan includes a proposal to expand student housing over the next several years, with a target of as many as 2,000 new beds (University of Pittsburgh 2019). Additionally, the university’s Institutional Master Plan highlights the dual opportunity for increased on-campus housing supply to reduce off-campus student demand, while also exerting pressure on off-campus landlords to improve the quality of rental housing in order to compete with Pitt’s high-quality, amenity rich on-campus options (University of Pittsburgh 2021).
Beyond the production of housing supply for its students, Pitt also maintains a “be a good neighbor” resource and campaign that strives to educate students about good off-campus neighborhood behaviors and build connections between student and non-student residents in Oakland (University of Pittsburgh n.d.). In conjunction with Oakland’s vision for diversifying its resident base, Pitt’s IMP also highlights the opportunity to explore employer-assisted housing incentives that may bring more faculty and staff into the neighborhood (University of Pittsburgh 2021; Krauss 2022).

**APPROACH 2: LEVERAGING PITT’S FINANCIAL RESOURCES TO SUPPORT AFFORDABLE HOUSING PRODUCTION & NEIGHBORHOOD STABILIZATION**

Beyond the campus, Pitt is engaged with several community organizations to support affordable housing preservation and creation. Specifically, Pitt has dedicated financial support to these organizations, prioritizing affordable housing creation and preservation with an emphasis on homeownership.

One of its primary partnerships is with Oakland Planning and Development Corporation’s (OPDC) Oakland Development Fund and Community Land Trust (CLT). The Oakland Development Fund exists to support OPDC’s work to revitalize the Oakland neighborhood, including improving neighborhood housing stock, growing the number of low- and moderate-income households, and creating an environment in which the community is socioeconomically and racially diverse. Pitt maintains a seat on the Oakland Development Fund Board as a fund investor, having allocated a no-interest loan ($72,500) in 1986 targeted towards the retention and expansion of affordable, owner-occupied housing within the neighborhood. As of 2023, this loan commitment has been renewed four times.

Launched in 2019, the Oakland CLT ensures that affordable housing opportunities are available on a permanent basis and that homeownership is preserved (“Oakland Community Land Trust” n.d.). Given the strong student housing demand in Oakland, OPDC viewed a CLT as a backstop to ensure properties were not continually lost to investor-owners and subdivided into rental units. Pitt was an original investor in the Oakland CLT, committing $250,000 via a long-term, no-cost loan to help seed acquisition funds, a $40,000 operating grant for the organization, as well a single-family home it owned nearby campus. As of spring 2023, Oakland CLT has 18 houses in its portfolio with plans to continue growing into the future.
APPROACH 3: LEVERAGING PITT’S LAND ASSETS TO SUPPORT AFFORDABLE HOUSING PRODUCTION

Recently, Pitt leveraged its land assets to support the creation of inclusive affordable housing within Oakland. Oakland Pride, led by Presbyterian SeniorCare Network, is an affordable housing project that will bring 52 units of affordable, LGBTQ-friendly senior housing into the Oakland neighborhood (“LGBTQ-Friendly Housing Project Receives $4M in Credits from PA Housing Finance Agency” 2022; Schooley 2022). Currently underway, the project received $4 million in Low-Income Housing Tax Credits from the state of Pennsylvania in late 2022. Presbyterian SeniorCare Network has committed to preserving the affordability of the project for 40 years.

In a multi-anchor effort, both Pitt and UPMC have leveraged their land resources to help Oakland Pride come to fruition and protect its affordability component. Both institutions established no-rent, 75-year land leases for the project, enabling the development to move forward on institutional parcels. Oakland Pride addresses key priorities for Pitt and the Oakland Plan, expanding housing choice in a way that addresses inclusivity and affordability for a non-student population over a long-term horizon.

APPROACH 4: ESTABLISHING DEVELOPER AGREEMENTS AND PITT PROGRAM TO SUPPORT HOUSING PRODUCTION AND DEMAND

Lastly, Pitt is seeking a development partner to create a mixed-use, multi-family housing project in Oakland. The project represents a private-market, non-student housing investment on a Pitt-owned property (formerly a hotel) (Jones 2021). The new development aims to bring a community-serving grocery into the neighborhood, in addition to adding a large number of workforce housing units. The university anticipates the project will include affordable units by making at least 10 percent of the units it builds affordable to households at or below 50 percent of AMI.

PITT & OAKLAND: PROGRESS & NEXT STEPS

Many of Pitt’s priorities for housing—both within its campus and as a partner within Oakland—are ongoing. With recently adopted plans outlining Pitt’s institutional plans for development (University of Pittsburgh 2021), including an emphasis on expanding student housing and contributing towards improvement in private-market offerings, and the City’s multi-faceted (and multi-partner) approach towards a vision for Oakland (City of Pittsburgh n.d.; City of Pittsburgh and Goody Clancy 2020), there are a number of pathways in place for transforming Oakland and investing in neighborhood affordability and livability. One such avenue includes the development of an employer-assisted housing incentive program. Tentatively slated for implementation in late 2023, the program would provide rental and homeownership incentives for employees seeking to live in the Oakland community. The incentives would be tiered, offering the greatest assistance to employees making 80 percent or less of AMI. As part of the program, the university is exploring including deconversion assistance to help return multi-unit dwellings to their original, family-sized structures and offering employees who already own homes within Oakland one-time hardship assistance for tax liens that may be endangering their housing stability.

The University of Pittsburgh continues to deepen its understanding of itself as an anchor institution, and this includes delivering on the lengthy list of commitments established within the neighborhood enhancement section of its Institutional Master Plan and partnering with the City, Oakland-based community organizations, and resident groups to implement the Oakland Plan.
References


