

Testimony for Senate Urban Affairs Committee

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My name is Larry Swanson and I am the Executive Director of ACTION-Housing , a 56 year old Pittsburgh based nonprofit housing organization dedicated to providing affordable housing and housing services to low and moderate income families and those with special needs. ACTION has developed and operates some 2,000 housing units throughout the City of Pittsburgh, Allegheny County and to a limited extent in the surrounding counties. We also operate programs designed to assist people thru energy conservation, accessibility improvements, mortgage assistance and housing counseling, a family savings program, a program to provide housing opportunities to young adults in crisis and a series of social services connected to housing. All of these programs depend upon support and subsidy from CDBG, HOME funds, and various housing related programs of HUD and DOE.

Along with my colleagues testifying today we support the creation and funding of a statewide trust fund to provide critical support and flexible funding to allow us to implement the housing developments and programs that will make a critical difference. I will focus on the importance of a Trust Fund to support community revitalization though as my colleagues will illustrate there are other strong reasons to support the fund.

ACTION is engaged with local community partners in a series of developments that bring investment to communities that are economically impacted. Our goal in each effort is to develop housing and in many cases mixed use developments that begin to impact the private market in that community. Examples of such initiatives include the following all of which required flexible funding and a mix of public funding, private investment and charitable support to be viable.

1. Mixed use development on Ardmore Boulevard in Forest Hills that brought a \$ 1.5 million development to Ardmore including a restaurant and apartments above the commercial use and converted a blighted building into a community asset. This development was the cornerstone of a larger community and commercial revitalization that has impacted the entire business district of Forest Hills and supported further development.

AHI total investment in this community is \$ 6.5 million and the leverage of Federal Funds has meant that Trust Fund type funds have brought in some \$ 5 million in Federal Funds.

2. Conversion of a largely abandoned warehouse on Forbes Avenue in Uptown into 43 units of housing, including 10 units for people with a disability , as part of a general strategy of bring a mix of market rate and affordable housing to the Uptown Neighborhood. Expanding the supply of moderate income rental and for sale housing is the key strategic issue we are facing today and that

requires funding that is flexible and is tied to providing an area benefit and not restricted on income.

AHI total projected investment is \$ 27 million in three major projects in Uptown. Of that \$ 22 million is Private Investment thru the LIHTC program and other structures. A \$ 5 million investment of Trust Fund type dollars has leveraged some \$ 22 million in private capital.

3. A series of commercial and small housing developments on Second Avenue in Hazelwood with significant support from Pittsburgh based charitable Foundations that will permit the conversion of a unused building into a new library and community center and reuse of an vacant commercial building into a use that will permit both fresh food to be sold in the community and housing options to be created as well. These are market starters and they will precede a whole series of housing and commercial developments over a long period of time that will bring a viable private market to Hazelwood. The nature and structure of these early intervention projects requires flexible funding that is focused on area revitalization rather than individual benefit.

There has been an investment of \$ 2million in private charitable funds in the early stage of Hazelwood developments that has leveraged some \$ 500,000 in Trust Fund type dollars. Major private investment is still a year or two away but as projects will make them possible. This community will also see significant investment of funds to redevelop a large site that was the former site of Jones and Laughlin Steel Company now being redeveloped by RIDC.

ACTION-Housing is engaged in these communities and others with the intent of providing both housing for low and moderate income persons but also working with community leadership to build a longer term program that revitalizes the community. In each case public subsidy and private investment are the keys to creating new and health economics for communities.

I would like to Thank the Committee for this time to testify.