

## Lexington Park Site

### Why have moderate density affordable housing on the site?

- To maintain diversity in the neighborhood of both income and race
- To begin to address the affordable housing unit shortage of 20,000 units in this city
- So that people that rely on public transit have good access to our best transit assets, and to incentivize more people to use alternative modes of transit to cars
- So that neighboring businesses like the East End Co-Op, the Construction Junction and subsidiary renters, and other existing assets are not priced out and could potentially benefit from the space.
- So that N Point Breeze residents that are tenants aren't forced to leave because of rising rents, and homeowners on a fixed income not be priced out because of rising taxes.

### What is a reasonable, positive and achievable proposal on the site?

Unit Distribution	1/3 Market Rate	1/3 Shallow Subsidy	1/3 Deep Subsidy
How Does Price Get Calculated?	According to Market Demand and Cost of Development	Units Priced at 30% of either 50% or 60% of Area Median Income	Units Priced at 30% of the Occupying Tenants' Household Income
Estimated Cost of 1 Month's Rent	\$1300-\$1400 a month for 1 bedroom	Up to \$1,133 a month, for a family of 4 living in a 3 bedroom apt	Varies according to Income Level of the Tenant
How it would be financed?	Market units can support a conventional loan to partially cover costs with additional equity and gap financing	Low income housing tax credit equity (either 4% or 9%), soft gap financing from URA.	Low income housing tax credit equity, plus housing authority project-based vouchers, soft gap financing from URA and Housing Authority

### How do we help ensure extended affordability?

1. The URA could have a **ground lease** on the site, with affordability provisions, and lease to a developer who would comply with these conditions **OR**

2. If a non-profit developer were to develop the site, after the 15-year tax credit period ran out, they could have the **right of first refusal** to buy the site from the investors, to continue to maintain affordability

3. Talk to the URA about **how tenants could have equity** on the site, potentially by having the residents be offered an affordable buyout option after the 15 year tax credit ran out, to turn into a cooperative ownership structure.

**It may be worthwhile to advocate for a specific developer that could achieve the neighborhood's development goals. Some developers that do attractive, responsible affordable housing in the city include:**

Action Housing  
Trek Development  
Telesis Corp.

### **Examples in Pittsburgh and Elsewhere of this model:**



East Liberty Place South and North (on Penn Ave)



Larimer Choice Apts

Transit Oriented Development in Denver

### **Complementary Uses?**

The site is not appropriate for only housing—it would be good to have ground level retail that creates local jobs and fills local needs, and provides some green space.