



INTERNATIONAL

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PITTSBURGH: FROM URBAN REVITALISATION TO GENTRIFICATION

306,200

RESIDENTS IN PITTSBURGH
(PENNSYLVANIA, USA) IN 2012.

2,361,000

RESIDENTS
IN THE METROPOLITAN AREA.

This *Note Rapide* is the result of a survey conducted during a study trip to Pittsburgh in March 2016 by students from Jean-Monnet university in Saint-Étienne, France, and the school of political science in Lyon on the "Altervilles" Master's degree course (in public policies and alternative urban strategies).

TODAY, AFTER DECADES OF INDUSTRIAL, ECONOMIC AND DEMOGRAPHIC DECLINE, THE CITY OF PITTSBURGH (PENNSYLVANIA) IS CITED AS AN EXEMPLARY INSTANCE OF SUCCESSFUL URBAN REVITALISATION. THIS STUDY OF THE CITY'S REVITALISATION HAS FOCUSED ON THE EMBLEMATIC LAWRENCEVILLE NEIGHBOURHOOD AND THE PROCESS OF INSTITUTIONALISING CITIZEN PARTICIPATION THROUGH LOCAL COMMUNITY ORGANISATIONS. ACTING AS ECONOMIC DEVELOPMENT AGENCIES, THEY FIRST IMPLEMENTED ACTIVE ATTRACTIVENESS-ENHANCING POLICIES, BEFORE REFOCUSING ON THEIR ORIGINAL SOCIAL CONCERNS TO ATTEMPT TO KEEP THE GENTRIFICATION PROCESS UNDER CONTROL.

The second largest city in Pennsylvania after Philadelphia, Pittsburgh experienced intensive industrialisation from the 19th century onwards, particularly in the metalworking sector, which explains why it was nicknamed "the Steel City".

As early as the 1970s, the metalworking industry collapsed after being very adversely affected by international competition and the crisis, leading to plant closures and mass redundancies. The repercussions on the city were significant: between the 1950s and the year 2000, Pittsburgh lost almost half of its population and was re-nicknamed "the shrinking city". Since the 2000s, the city has returned to positive economic growth, stabilised in terms of demographic growth and has developed its universities and its medical sector. It is now home to companies such as Google and Uber. According to Donald K. Carter¹, this urban revitalisation has even become a model worthy of being exported to Europe.

Lawrenceville is a neighbourhood in District 7 located in the North-East of Pittsburgh consisting of Lower, Central and Upper Lawrenceville. In 2010, it had a population of around 10,000 residents. Until the mid-2000s, Lawrenceville was considered as one of the most dangerous neighbourhoods in Pittsburgh, with high crime rates. Deserted by its residents, its population dropped by almost 70% between 1940 and 2010, from 30,000 to 9,500 residents.

Today, Lawrenceville has been described as a "go-to" destination by the *New York Times* and its residents consider it as an up-and-coming neighbourhood. Butler Street, the main arterial road,



On the cover page: the Pittsburgh Central Business District (CBD).

1. The University of Pittsburgh Medical Center (UPMC), a world-renowned university and hospital centre.

2. A typical street in Lawrenceville, whose real estate assets are highly coveted by investors.

3. Butler Street, the neighbourhood's main street and its many shops.

4. The statue of the doughboy, an infantry foot soldier in the American army during the First World War, which is Lawrenceville's emblem.

is once again full of shops and the housing units that used to be abandoned now have new owners, thus generating a property boom. However, this urban revitalisation, driven by the Community Development Corporation (CDC), has not been immune from a gentrification process.

THE ROLE OF THE COMMUNITY DEVELOPMENT CORPORATION (CDC)

Several factors played a role in this urban transition, such as the neighbourhood's location, its industrial history, its residents' diversity, etc., but one stakeholder, in particular, played a central role and had a significant impact: the Lawrenceville Corporation, i.e. the neighbourhood's Community Development Corporation (CDC) (see the definition in the box below), one of the local non-profit community organisations.

According to Owen Kirkpatrick, a professor at the university of California and a specialist in Community Development, two types of strategies have been adopted by CDCs in the United States: "On the one hand, we find CDCs dominated by market-oriented interests and the economic logic of exchange-values, while on the other, we find CDCs dominated by community-oriented interests and the social logic of neighbourhood use-values." [Kirkpatrick, 2007]

The Lawrenceville CDC successively used both these strategies. But to what extent did its actions have any impact on the neighbourhood's urban revitalisation?

The CDC's role and its evolution were studied in terms of economic transformations, the property market and the alliances in which the CDC got involved. In fact, the lack of public regulation combined with a background of strong real estate pressures compelled the CDC to modify its role within the community.

ALLIANCE-BUILDING AND CITIZEN INVOLVEMENT

There are two neighbourhood organisations in Lawrenceville: Lawrenceville Corporation and Lawrenceville United.

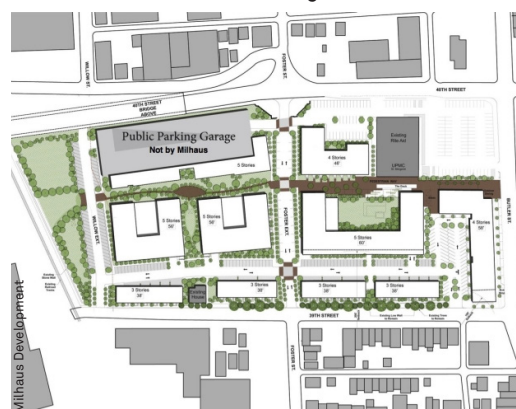
Lawrenceville Corporation (LC), the neighbourhood's CDC, was founded in 2000 following the merger of two CDCs. It is a community organisation that has 200 members comprised of small businesses, institutions, industries and residents. Its purpose is economic development and it has four priority areas of intervention: real estate, business development, community planning and "territorial" marketing/communication. The CDC claims to defend the interests of the neighbourhood. A new director has held office since 2010.

Lawrenceville United (LU) is a non-profit organisation founded in 2001 which has formed an alliance with the CDC, but which has a different status. Originally, a group of volunteer residents used to organise neighbourhood watches in partnership with the police. The group subsequently received donations from other residents and began to organise meetings to generate a sense of community. LU represents the local population and its aim is to improve the quality of life of residents, with whom it establishes close relationships by involving them in neighbourhood life and projects and by trying to ensure that they remain in the neighbourhood in spite of sharply rising property prices. LU's funds come from membership fees, fundraising with local foundations, the US federal budget and state programmes. Its operating budget amounts to USD350,000 a year (around EUR310,000). LU has three full-time and four part-time employees.

DEFINITION

"Community Development Corporations (CDC) are non-profit local organisations that rely on the significant involvement of a targeted section of the population (low-income communities) with a view to empowering them. CDCs aim is to stabilise and revitalise the areas in which they operate (urban or rural). They focus mainly on the construction of affordable housing and on economic and social development." [Berger, Kasper, 1993]

The Arsenal Terminal project to build 630 "affordable" homes in the Lawrenceville neighbourhood





Various reasons explain the changes in citizen participation in Lawrenceville's urban revitalisation, notably the growing teamwork between LC and LU, as well as the convergence of the backgrounds of their respective directors, reflecting the greater professionalisation of their job positions. Indeed, after a period of competition, or even opposition, between them, the two organisations became professional partners and shared common interests: the director of LU joined the CDC's management committee and the CDC now funds LU.

Thus, after giving priority to economic development, the two organisations are now developing stronger ties with the neighbourhood's population. The alliance between LC and LU facilitates the population's involvement in development projects and "makes for more transparent decision-making processes", underlines the director of LC. This is reflected, for example, in the Arsenal Terminal development project, implemented by Milhaus Development, a business in Indianapolis, which is planning the construction of 630 new housing units, a significant number for Lawrenceville. The two organisations set up meetings with the residents, business managers and property developers to discuss the repercussions of such a project on the neighbourhood.

FROM ATTRACTIVENESS-ENHANCING POLICIES TO AN ATTEMPT TO REGULATE URBAN DEVELOPMENT

Before 2010, the CDC was a "market creator" with an attractiveness-enhancing policy aimed at encouraging banks, property developers, residents, etc., to invest in the Lawrenceville neighbourhood as part of a cheerleader strategy. For example, in the early 2000s, the 16:62 Design Zone, an artistic hub

dedicated to fashion and design, was established on Butler Street. This purely economic approach immediately paid off by attracting creative and innovative people, thus demonstrating the strong positive impact of the CDC on the development of the neighbourhood. This enhancement of Lawrenceville led to a spectacular rise in property prices (see the table below) and, more recently, to very high-pressure sales and marketing techniques (see the "Flippers" in the adjacent box).

This trend in the real estate market was accompanied by a gentrification² process and its corollary, the "relocation" of low income populations: out of 20 pupils in a class in Lawrenceville's state school, five will have moved out of the neighbourhood by the end of the school year due to the increase in property prices. This new social and spatial imbalance compelled the CDC to modify its mission and strategy. Its economic development policy was abandoned and replaced by a more social policy focused notably on access to "affordable"³ housing, but directed, however, more toward the middle class than the working-class.

A tool was also created to put these affordable homes on the market: the Community Land Trust. Since 2010, LC and LU have been acquiring abandoned homes to be refurbished and sold, but without selling the land. The new occupants must meet the income ceilings (80% to 120% of the average income in the metropolitan area of Pittsburgh) and comply with certain obligations: no right of sale of the occupied house except to a person whose income is within the same bracket. This scheme, which is still operated on a small scale for the time being, has only concerned seven homes in the neighbourhood so far.

FLIPPERS OUT TO CONQUER PROPERTY MARKETS

There is currently investment fever in the Lawrenceville neighbourhood of Pittsburgh. This is illustrated by flippers, i.e. real estate agents who buy homes from vulnerable people at prices under market value by posing as young couples who are first-time buyers: flippers buy as many undervalued properties as possible and then sell them with large capital gains.

METHODOLOGY AND SOURCES

This study was conducted thanks to:

- archives, press and academic articles providing a historical point of view on the strategies and changing role of the Community Development Corporation (CDC) in the Lawrenceville neighbourhood;
- profiles of this CDC's successive managers, written for this study, reflecting the change in the CDC's role: the financial, political, property management profiles of the managers gradually made way for profiles centred on social work, community organisations and artistic management, as illustrated by the profile of the Manageress of Lawrenceville United appointed in 2010;
- semi-structured interviews with the managers of the Lawrenceville Corporation and Lawrenceville United CDCs, the Mayor of District 7 and the Pittsburgh City Planning Department, to cross-check and validate information provided by the city's various stakeholders;
- interviews with 20 shopkeepers on Butler Street to study their relationships with the CDC.

Changes in Lawrenceville land prices from 2010 to 2014

	Median Sale Price \$2010	Median Sale Price \$2011	Median Sale Price \$2012	Median Sale Price \$2013	Median Sale Price \$2014	Median % change
Lower Lawrenceville	\$67,500	\$92,465	\$116,023	\$144,479	\$145,262	53.5%
Central Lawrenceville	\$65,500	\$82,931	\$93,380	\$123,427	\$142,511	54.3%
Upper Lawrenceville	\$38,000	N.A.	N.A.	N.A.	\$185,027	79.4%

HAS THE CDC BEEN PRICED OUT OF THE PROPERTY MARKET?

The state of the property market has put a great deal of pressure on the CDC: the average sales price increased by 60% between 2010 and 2014 (see the table p.3). According to the Mayor of District 7, the Arsenal Terminal project could lead in the future to a 20% increase in the population of the neighbourhood.

Thus, with successful economic development, Lawrenceville has become a strategic neighbourhood in which to invest. But, today, the CDC and the city, who have always been the main stakeholders, are now being priced out of the market. Indeed, in addition to the Arsenal Terminal project, six other projects are under way to construct a total of 1,000 new housing units. Investors' dramatic increase in interest worries the residents, who fear another boom in property prices or that these homes will remain empty. Furthermore, the increase in road traffic, which is already an issue in Lawrenceville, is another worry.

The urban revitalisation of Lawrenceville has thus created a somewhat misleading economic dynamism leading to gentrification, whose effects seem to affect the city as a whole, featuring: deindustrialisation of localities, impoverishment of city centres, refurbishment of sub-standard housing with rising rent levels, economic development and evictions of the least affluent households. Although the manageress of LU is satisfied with the investments made in her neighbourhood, she does not hide the numerous problems that remain to be addressed: one third of the population lives under the poverty line and could thus be evicted from the neighbourhood due to real estate pressures.

The dynamics of the urban development strategy implemented by the CDC has thus led to a situation in which the institutional stakeholders have been unable to keep the consequences of their actions under control. Regulating such development has been all the more difficult as it has been very rapid. Although LU and LC play a pivotal role in a project such as Arsenal Terminal, their prerogatives remain limited because they do not possess any enforcement power. Aware of their weakness, they should strengthen their negotiating role by interfacing with the residents, property developers and the City Planning department in order to provide the population with the best guarantee of defending their interests. However, it is not certain that they will manage to offset the social imbalances, even with the Community Land Trust's land management policy, which operates on a small scale. Moreover, this type of housing is more suited to the middle-class. For residents who are tenants, the CDC has no other choice but to negotiate with the property developers to build affordable housing.

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Under the responsibility of Sandrine Barreiro, director of the Planning division

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- "Who moves to Lawrenceville, and why?", *Pittsburgh Economic Quarterly*, University Center for Social Urban Research, March 2012.

1. As the Director of Urban Design and Regional Engagement in the Remaking Cities Institute at the University of Carnegie Mellon in Pittsburgh, he elaborates on this idea in his latest book entitled: *Remaking post-industrial cities. Lessons from North America and Europe* (2016).
2. "Gentrification is a phenomenon that is simultaneously physical, economic, social and cultural. It generally involves the invasion of previously working-class neighbourhoods or of sub-standard apartment buildings by middle-class or affluent groups of people who replace the original occupants or make them relocate. This process implies the renovation or physical rehabilitation of what used to be very sub-standard housing stock and its improvement to suit the needs of the new occupants. During this process, the prices of the homes located in the neighbourhoods concerned greatly increase." (Hamnett, 1984).
3. That is to say, reserved for people whose incomes are between 80 and 120% of the median income of the Pittsburgh metropolitan area. This median income is considerably higher than that of Lawrenceville. In fact, according to the American Community Survey, the average income of households in the Pittsburgh metropolitan area was \$50,489 in 2012, compared with \$39,000 in 2009 in District 7.

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