

# LAWYERS JOURNAL

## Legal services lawyers support community-based neighborhood revitalization efforts

By Kristina Klugar

Unlike its New York namesake, Forest Hills in Allegheny County does not immediately bring to mind images of McMansions, privilege...and tennis. Pennsylvania's Forest Hills was a thriving commercial area in the early 1900s but, in the aftermath of the industrial boom, many buildings fell into serious disrepair and near obsolescence. Community-based efforts are changing that.

Legal services lawyers, by supporting community-based efforts, are helping to breathe life back into the neighborhood. They have also helped put in place statewide initiatives that are expanding affordable housing and increasing the impact of neighborhood revitalization efforts like those in Forest Hills.

Forest Hills Community Development Corporation is leading the charge to revitalize the Forest Hills business area. Neighborhood volunteers are raising money to creatively redesign, redevelop and reuse land and buildings. For example, strategically located at the western entrance of the business district, the Kliment Building, once a Packard Car Dealership fondly known as the "Old-Studebaker Garage," had been vacant for 10 years. In 2005, this two-story building was converted to residential apartments and a restaurant which will

soon open at a cost of about \$1 million. Pennsylvania Housing Finance Agency (PHFA) provided \$300,000 and the remaining funding from PNC Bank and Great American Federal.

The ripple effect of this renovation will be significant for the community's 6,700 residents and for more than 30,000 commuters who pass by the building every day. Working hand-in-hand with the nonprofit ACTION-Housing, the CDC is developing affordable housing and moderate income homes for rent, a \$202 high-rise facility for the elderly and yet another the Mixed-Use Facility Financing Initiative (MUFFI) project in the Forest Hills area.

Another key player in the Kliment Building's renaissance was a group of lawyers that has worked alongside numerous community groups throughout the state providing free legal and technical assistance since 1973: Regional Housing Legal Services (RHLS). Over the years, RHLS has not only saved its clients millions of dollars in legal fees; it has also leveraged hundreds of millions of dollars in funding for the development of affordable housing.

"RHLS was extremely helpful in getting [the project] through PHFA on the application side, and on the grantsmanship side once the application was submitted," explains Ross Nese, President of

Forest Hills CDC, healthcare executive and longtime resident of Forest Hills. "Without their assistance, we probably never would have gotten to a closing."

In addition to assisting in the conversion of the Kliment Building project, RHLS attorneys were crucial in the creation of the PHFA MUFFI program that supported the project. RHLS attorneys had seen firsthand the key role commercial corridors can play in stabilizing and bringing declining neighborhoods back to life through business start-ups, job creation, housing development, increased financial investments and decreased crime. Unlike other types of funding programs for housing, however, until 2004, no coordinated system existed to give nonprofit developers easy access to financial resources needed for the components of a mixed-use project.

To address this need, RHLS worked with a coalition that included its clients, CDCs in Pittsburgh and Philadelphia, Action Housing, PNC Bank as well as State Senator Jay Costa to push for a pilot project at PHFA that would support a limited number of small-scale, mixed-use revitalization efforts on a trial basis. Working with Laura Schwartz, RHLS Director of Economic Development, the Coalition obtained initial funding of \$750,000, which proved to be so successful that the Pennsylvania Department of

Regional Housing Legal Services (RHLS) builds self-sufficient communities by providing legal expertise and technical assistance services to non-profit community-based organizations (CBOs) that provide affordable housing, neighborhood revitalization and economic development programs throughout Pennsylvania. It also promotes collaborative solutions that maximize the efficacy of Pennsylvania's affordable housing and community development programs. With a staff of 13, including 10 attorneys, RHLS serves about 50 CBOs per year and is engaged in numerous efforts to change and promote policies in its areas of focus. Headquartered in Glenside and with offices in Harrisburg and Pittsburgh, RHLS has been involved in hundreds of millions of dollars of development projects since its inception in 1973. RHLS also provides statewide support to other legal services programs through its Housing Law Project (HLP) and provides a home for the Pennsylvania Utility Law Project (PULP) in its Harrisburg office. In addition, RHLS offers web-based review of applications to a mortgage-foreclosure prevention program, through its HEMAP Help Center. Affordable housing and community development services include:

- Direct legal and technical assistance
- Preventive law (planning for prevention of legal problems in the future)
- Policy analysis/system innovation (identifying critical issues, making policy recommendations and disseminating relevant information to interested parties).



Before photos provided by GAI Consultants. After photos by Kyna Damewood.

Before and after photos show how the work of Regional Housing Legal Services and local community development corporations has transformed Clairton's Southside neighborhood.

Community and Economic Development (CED) committed an additional \$750,000, to support the initiative. In April 2004, PHFA approved \$1.9 million to support eight mixed use projects throughout the state, including Forest Hills CDC. MUFFI is now a permanent part of PHFA's Homeownership Choice Programs (HCP). Thirteen communities in Pennsylvania have used MUFFI; 129 apartments have been renovated located above 49 commercial spaces.

RHLS is able to develop deep and ongoing relationships with its clients, helping them to develop their capacity over time so they can take on increasingly large and sophisticated projects. This makes the organization a unique resource for community-level capacity-building in the state. By supporting organizations over the long-term, and helping staff negotiate complex financing arrangements, governance issues, real estate matters, and contractual agreements with government entities, RHLS is a powerful partner in the business of promoting positive change in areas that need it most. RHLS' intimate connections at the grassroots give its staff a unique vantage point from which to initiate and test policy ideas and changes like those that resulted in the HCP and MUFFI.

RHLS has been helping CDCs and tenant organizations in Western Pennsylvania since 1997. Bob Damewood, RHLS' Pittsburgh staff attorney currently works with 15 non-profit CDCs and tenant organizations, assisting them with a wide range of matters such as affordable housing development, owner-occupied housing rehabilitation, and community-based job training and referral. Thanks to support from the Commonwealth and a recent grant from the Maurice Falk Foundation, RHLS recently doubled its capacity in Allegheny County by adding a second attorney to work with Damewood. "Low-income communities throughout Western Pennsylvania are struggling to develop their own solutions to problems of poverty, disinvestment and blight," Damewood said. "Hiring a second staff attorney in the Pittsburgh office will allow us to expand our capacity to provide legal and technical support for these vital efforts."

Since February, 2002, Damewood has worked with the Community and Economic Development Corporation of Clairton (CEDCC) on a comprehensive revitalization of Clairton's Southside neighborhood. The Southside neighborhood is the lowest income, most disinvested neighborhood in Clairton. Clairton was one of the seven "Sanders communities" designated to receive special redevelopment assistance pursuant to the consent decree in *Sanders v. HUD* because of its high concentration of African-Americans and his-

tory of public disinvestment. Although other aspects of the Sanders consent decree have received far more publicity, the Clairton Southside revitalization has been one of its greatest successes.

RHLS helped the CEDCC partner with private for-profit and non-profit developers to combine Sanders funds with Low-Income Housing Tax Credit, HCP, and other funding to spur a comprehensive revitalization of the Southside neighborhood. The Southside revitalization has resulted in the acquisition of over 100 blighted properties, the construction of 44 affordable lease-purchase townhouses and 23 affordable single-family houses. Southside also has new streets, sidewalks, sewers, underground utilities, and parks. Ongoing efforts include the rehabilitation of 40 owner-occupied homes; weatherization of as many as 40 rental properties; and the construction of a new community center and playground. RHLS helped the CEDCC negotiate the development partnerships; design the lease-purchase program; market the for-sale houses; design and implement a successful resident training and employment program; and obtain funding for the owner-occupied rehab program, community center, playground and a resident initiatives coordinator.

RHLS also helped design two PHFA programs that were instrumental in revitalizing the Southside neighborhood: the Homeownership Choice Program (HCP) and the Owner-Occupied Rehab Program (OORI). A few years prior to the creation of MUFFI, RHLS played a key role in the conceptualization and establishment of HCP, the first attempt by the State to use homeownership to facilitate a comprehensive approach to community development. The program's origins were rooted in the frustration of CDCs with the difficulty in developing new mixed-income housing in disinvested areas. Beginning in 1999, in collaboration with Bev Coleman, now executive director of NeighborhoodsNow in Philadelphia, and Gary Lenker, former president of the Pennsylvania Home Builders Association, and with the support of Brian Hudson, executive director of PHFA, RHLS developed the concept for what has become one of the most popular and successful statewide programs of its kind. Initially, HCP supported only new construction; over the years two other components have been added: Neighborhood Revitalization (which funds both rehabilitation and new construction); and MUFFI. (The OORI is a pilot program designed to extend the impact of HCP developments to owner-occupied homes throughout the neighborhood; it is not yet formally a part of HCP.) PHFA reports that, "in its first six years, [HCP] investments of approximately \$64 million have

leveraged over \$400 million in additional housing, infrastructure, and economic development investment in 52 Pennsylvania communities."

Thanks in part to RHLS' support for the CEDCC's efforts, the Southside revitalization effort has accomplished the following:

- Nearly all blighted properties in the Southside neighborhood have been or are being improved
- Most tax delinquent properties have been or are being placed back on the tax rolls
- 67 affordable homeownership opportunities were created
- The neighborhood homeownership rate, income mix and racial mix have all increased
- Public housing residents and Section 8 voucher holders are becoming homeowners (9 lease-purchasers and 4 home buyers are Section 8 voucher holders)
- Existing homeowners will be assisted with repairs, negotiating affordable repayment agreements on delinquent property taxes, and resolving tangled title issues
- Property values in the neighborhood are increasing
- Energy efficiency upgrades for owner occupants will help deter displacement due to gentrification
- The revitalization effort has spurred private investment in the neighborhood

"The CEDCC could never have been able to do this development without the help of RHLS and Bob Damewood," says CEDCC President, Cheryl Hurt, also a native and current resident of the community. "The advice and contacts that RHLS provided helped make this venture successful."

Guided by two Marks, Schwartz and Levin, executive director and chief counsel respectively—who have each been with the organization for more than 30 years and are among the state's foremost experts in matters related to affordable housing—RHLS has grown over the years. It is headquartered in Glenside, just outside of Philadelphia and has offices in Harrisburg and Pittsburgh. RHLS' Managing Attorney, Judy Berkman, though based in Glenside, spent her high school years in the Pittsburgh area. She joined RHLS over 10 years ago bringing many years of private practice experience. The Glenside staff includes four other practicing attorneys and a policy director who is also an attorney. Two full-time and one part-time attorneys work in the Harrisburg office, primarily provid-

ing assistance to other legal services providers through the Pennsylvania Utility Law and the Housing Law Projects. The two attorneys in Pittsburgh will continue to benefit from the guidance and experience provided by RHLS colleagues engaged in similar projects in other parts of the State. When special expertise is needed, attorneys may be dispatched from other offices, as was the case when Laura Schwartz worked on the Forest Hills project.

"In the coming years," says Mark Schwartz, "we hope to add more attorneys to our staff to expand our capacity to help community-based organizations throughout the State. That hands-on work has always and will continue to be a priority of the organization. At the same time, we are launching into a strategic planning process that will help us strengthen our ability to communicate and enhance policies in our areas of focus, and find ways to include more partners, in that effort." RHLS is exploring ways to involve private attorneys who may want to devote some time pro bono in community development efforts.

Anyone wishing to be added to RHLS' mailing list to keep apprised of the organization's work and volunteer opportunities, please send contact information to [Kristina.klugar@rhls.org](mailto:Kristina.klugar@rhls.org).