

# JACK KEMP WORKFORCE HOUSING MODELS OF EXCELLENCE AWARDS

2012 WINNER

## DEVELOPER

TREK Development Group

## MIXTURE OF HOUSING TYPES

Workforce units: 32

Affordable units: 28

## AFFORDABILITY

Workforce units priced as follows:

Studios: \$850

1 BR: \$1,050 to \$1,150

2BR: \$1,500 to \$1,800

## DEVELOPMENT COSTS

\$18.1 million

## DEVELOPMENT TIMELINE

Site Acquired: February 2007

Construction Started: October 2008

Completed: August 2009

## SUSTAINABILITY

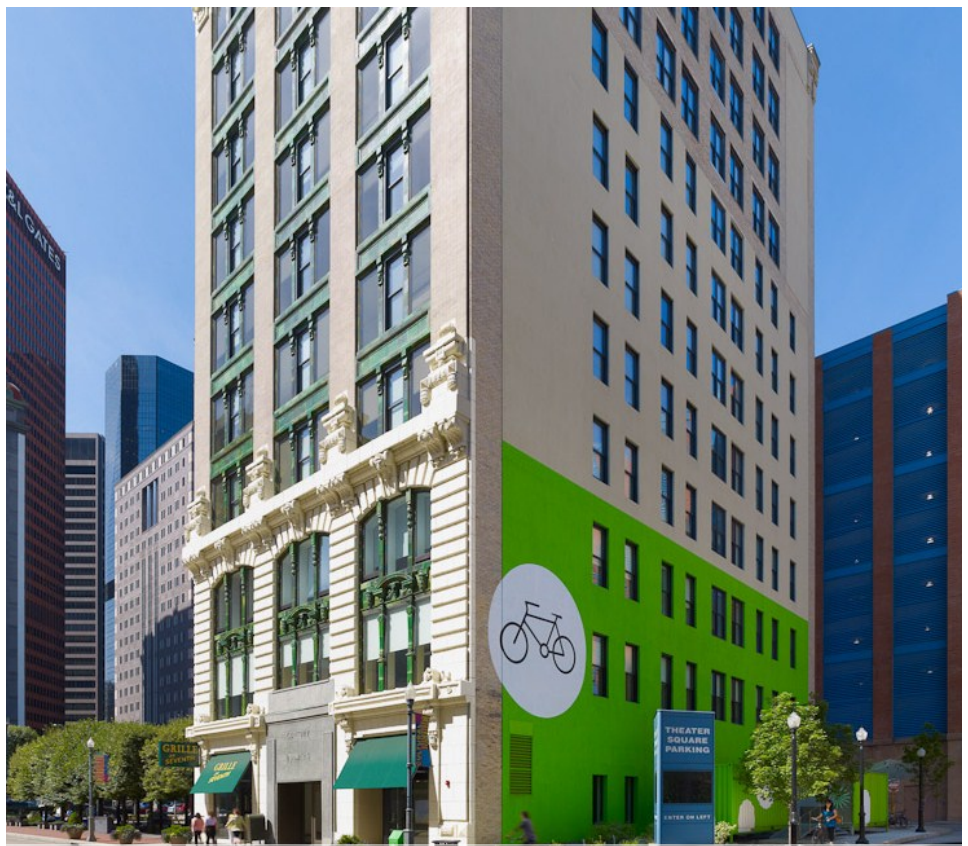
Open-loop geothermal system

Energy metering

Bicycle commuter center

## WEBSITE

[www.centuryon7th.com](http://www.centuryon7th.com)



## The Century Building Pittsburgh, Pennsylvania

The Century Building—a 12-story, 80,000-square-foot former office building—sits at the heart of Pittsburgh’s Cultural District. This vibrant downtown area is the epitome of the urban lifestyle, complete with ample performing arts theaters, art galleries, and trendy restaurants and coffee shops. But missing from this cultural center were housing options that met the needs of the modern downtown workforce.

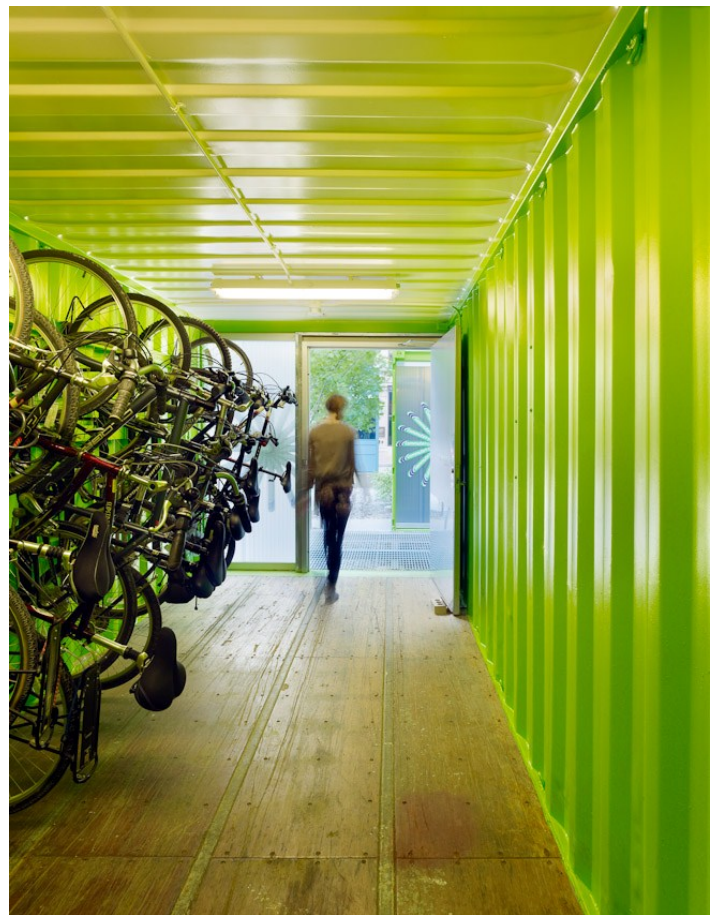
Pittsburgh, once a smoke-ridden, steel-smelting town, has redirected its economy to become truly diverse. Over the past 15 years, city leaders—in partnership with a range of nonprofit and philanthropic organizations—have committed to reviving the downtown through a residential renaissance. Since 1997, thousands of residential units have been constructed in and around the center city, but the majority of these units have been targeted to higher-income households. In fall 2006, the Pittsburgh Downtown Partnership formed the Downtown Housing Working Group to promote the development of affordable and workforce housing. Drawing on the working group’s leadership, TREK Development Group redeveloped the underused office building into a mixed-use, mixed-income residential structure with 28 affordable (tax credit) units and 32 workforce housing units.

Built in 1907, the Century Building is in a prime downtown location easily accessible by bus, light rail, and bicycle. The development team capitalized on this by forming a strategic alliance with the Pittsburgh Downtown Partnership and the Southwestern Pennsylvania Commission to develop a bicycle commuter center on site. In addition, the development is the first residential structure in the city to receive a Gold rating under the Leadership

in Energy and Environmental Design program. As part of the responsible energy use plan, TREK seized the opportunity to install an open-loop geothermal system in an effort to reduce the building's dependence on nonrenewable resources for heating and cooling. TREK later installed an energy metering system providing real-time data that, when analyzed, reveal insight into the geothermal system's performance.

A vision of having workforce housing at the heart of the city was the catalyst for this project. And it was that vision that galvanized the development team and its partners to take a creative and comprehensive approach to the financing. In addition to funds from the Pittsburgh Cultural Trust, a foundation dedicated to promoting the arts in Pittsburgh, funding for the building's purchase was underwritten by the Heinz Endowment and the Richard King (R.K.) Mellon Foundation—both among the largest philanthropic organizations in the United States. The Century Building also leveraged funding from the Urban Redevelopment Authority of Pittsburgh and the Allegheny County Department of Economic Development, as well as a conventional first mortgage from the Strategic Investment Fund. In order to maintain long-term affordability for workforce units, a 30-year declaration of restrictive covenants was recorded and placed on the property requiring that the workforce units be rented to households earning between 60 and 120 percent of the area median income.

Upon completion of the renovation in August 2009, the Century Building was an immediate success. It was fully leased within 90 days—six months ahead of schedule. The project not only provides affordable and workforce housing for Pittsburgh's young professionals, but also helps ensure that downtown neighborhoods remain vibrant and accessible. TREK Development's extensive partnerships with philanthropic, private, and nonprofit organizations illustrate the breadth of community support for this project. The Century Building is a model for sustainable development, adaptive use, downtown housing, and cross-sector partnerships, and is worthy of replication in other cities facing concerns about pricing essential residents out of the housing market.



**“This is the first development of its type in the region. The combination of private LIHTC and historic tax credit equity with foundation dollars (R.K. Mellon) is unusual. We are proud that we were able to harness the attention, power and support of significant local institutions.”**

**William J. Gatti, President  
TREK Development Group**