



RESIDENCES

AT

Preservation, Perseverance, and People

WOOD

STREET

HISTORY

“As an exemplary housing facility providing both shelter from the streets and a bridge from crisis to stability, Wood Street Commons must be preserved if Pittsburgh is to achieve its goal of ending homelessness...”

Patrick Reitz, administrator of the Institute for Clinical Research Education at the University of Pittsburgh Center for Research on Health Care, in a 2006 retrospective.





2 “The essence of life is change...” — M. Scott Peck, *The Road Less Traveled*



REUSE

Across the street from Point Park University's Book Store and adjacent to the upscale Carlyle condominiums in Downtown Pittsburgh stands the 16-story, stone-case, steel-pillared Residences at Wood Street.

Designed by Benno Janssen of the Janssen & Cocken architectural firm, credited with the William Penn Hotel, Mellon Institute, and Edgar Kaufmann's Fox Chapel home and constructed in 1923 for the YMCA, the building housed the Y's offices and athletic facilities for decades. Its 256 dormitory-style units, designed originally for business travelers, tourists and men of limited means, were occupied increasingly over the years by those in need of inexpensive housing.

In the mid-1980s, the Y withdrew from residential services. The classically inspired building went on the market. But by then, most of its rooms were home to people in need of temporary shelter, people who would be at risk of homelessness if the status of the building as a low income residence changed.

Multiple factors were converging in the mid 1980s that were triggering an increase in homelessness nationally. In Pittsburgh, 1800 people were facing homelessness each year, prompting Mayor Richard Caliguiri to invite community leaders in Pittsburgh and Allegheny County to serve on an ACTION-Housing Advisory Committee on Housing for the Homeless. The committee developed a comprehensive plan that included addressing the sale of the YMCA building.

A task force at the Urban Redevelopment Authority of Pittsburgh (URA) concurred with the plan's objectives and the URA set in motion the creation of Wood Street Commons Associates (WSC). Public and private investors raised more than \$11 million to purchase the former YMCA and redevelop the building. The late Senator John J. Heinz gave political impetus to the preservation of this critical low income housing resource in the City.

Redevelopment of the building fell to developer Tom Mistick & Sons, Inc., one of the owner investors. Mistick contracted to convert six floors (54,000 square feet) of athletic facilities and offices to commercial office space. Lease income from these floors would help subsidize 10 floors of single room occupancy (SRO) units. Mistick also aimed to renovate and upgrade residential floors: elevators, roof, windows, masonry, fire towers, furnishings, boiler, plumbing, sprinklers, lighting, smoke detectors and cooling systems, improvements that would help lower building maintenance costs.

The transition to SRO housing also introduced support services for residents of the building, who came from diverse economic and social backgrounds. Community Human Services (CHS) partnered with WSC to provide mental health outreach, health screenings, referrals for permanent housing and employment and onsite job training, as well as training for building staff in managing special needs populations.

According to a 1992-2004 retrospective study by Patrick Reitz, currently administrator of the Institute for Clinical Research Education at the University of Pittsburgh Center for Research on Health Care, Wood Street Commons stood as "a bulwark against homelessness in the city of Pittsburgh for almost two decades." But by 2006, WSC faced "new and serious threats to its financial viability." The commercial space no longer met the County's needs and it withdrew from the building, exacerbating ongoing conflict among the building's owners and sending the building into default.

But Reitz's 36-page retrospective provided a basis for the potential rescue of Wood Street Commons as a low income housing resource.

(Top) Above the entrance of the Residences at Wood Street, constructed originally for the YMCA and designed by Benno Janssen.

(Below) Danielle Bradley, Housekeeping Staff

2006

Six of the 16 floors at Wood Street Commons — the commercial space — sat empty. The residential units on the other ten floors were only 50 percent occupied. The building was losing \$900,000 annually. Due to deferred maintenance and an absence of significant capital investment, operating costs had skyrocketed. Demand for the office space had disappeared. Investors had lost confidence in management. The developer of the 1980s conversion of Wood Street Commons took everyone to court.

“It was a very difficult acquisition,” says ACTION-Housing’s executive director Larry Swanson.

SROs, though life sustaining for their residents, were diminishing in number nationally; and Wood Street Commons was in receivership. There was no obvious economically viable way forward. What might happen to the 259 residents, for whom a small room with a single bed, and a view of nearby construction was a home and a haven? Scatter them throughout the county?

“The County asked ACTION to be the new owner,” Larry Swanson recalls. “Pat Fenton, (ACTION’s deputy executive director at the time) and I declined but offered to form a new nonprofit that would own the building and try to preserve it.”

Larry, Pat, Tom Cummings of the URA, Adrienne Walnoha of CHS and Cassandra Collinge of Allegheny County were the core team which led the Wood Street Commons redevelopment effort. Each believed that the Wood Street Commons building and the housing it provided for the city’s most vulnerable population had to be saved; even though they’d yet to strategize how to fund all the necessary capital improvements.

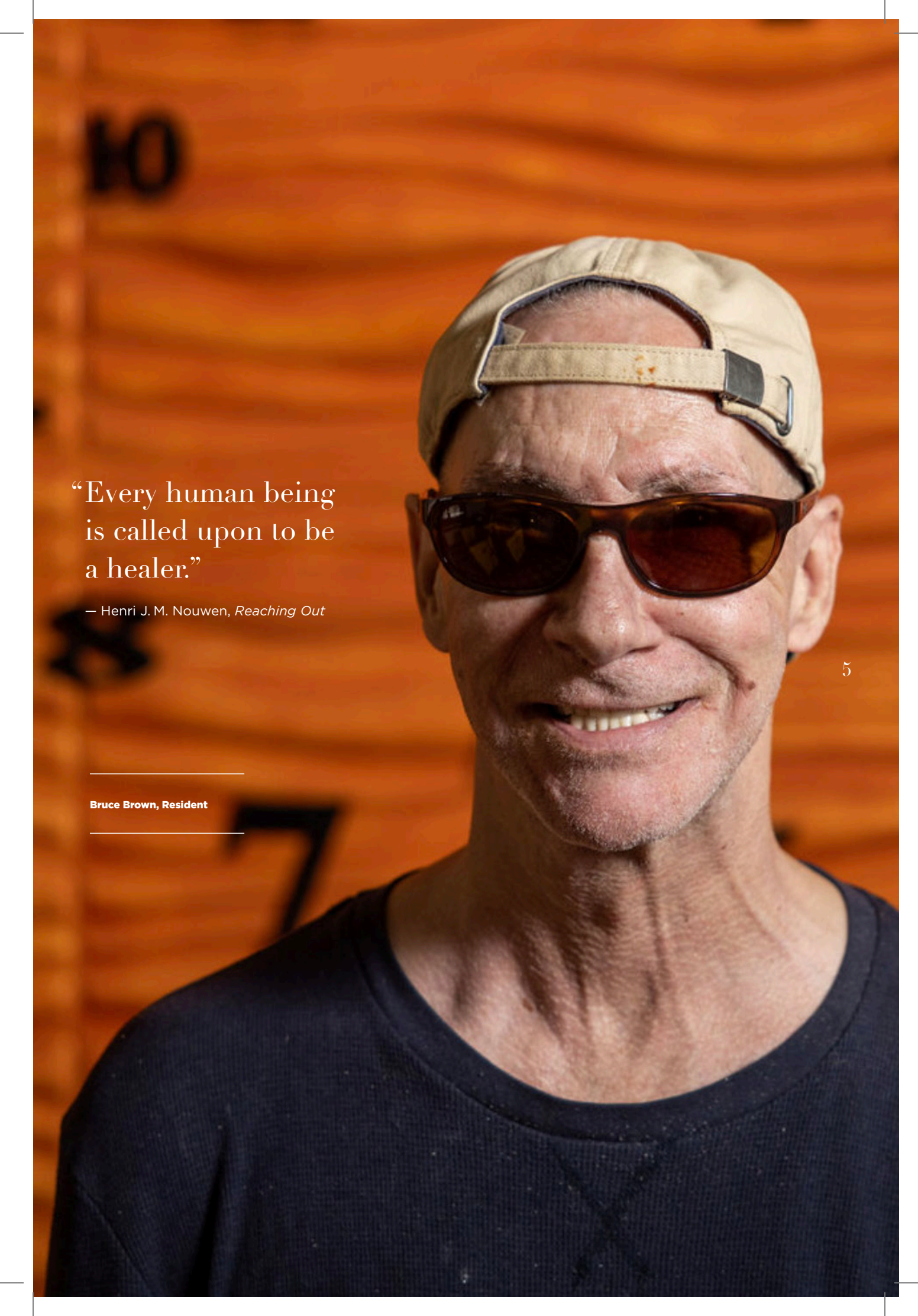
Henry Beukema, then executive director at the McCune Foundation, which, years down the road, would make a \$3 million

endowment to the building’s reserve fund, recalls “. . . there was a determination to find a way and that feeling was infectious.”

In 2009, in a court-ordered sale, a new ownership corporation, the Residences at Wood Street (RWS), was formed that included ACTION-Housing, Community Human Services, the Urban Redevelopment Authority of Pittsburgh, Allegheny County Department of Economic Development, and the Foundation community, with ACTION Housing as the lead development entity. “It’s unusual for the County to play a significant financing role in a city project,” Cummings says, “but this was an exception because of the history and clientele to be served.”

The original concept behind the creation of Wood Street Commons Associates (WSC) was central to the RWS initiative. The closure of state operated institutions had fed a wave of homelessness, and Wood Street’s creative public-private-nonprofit package for a housing experiment was unique in the nation. Providing a single room with no kitchen (an SRO), for people who might otherwise be living under bridges, cost less than one fourth the amount of an apartment at the time (\$15,000 to \$18,000 vs \$70,000).

The concept brought diverse funders to the table; it provided housing to people with low incomes, no income or who were in transition; support services for residents with varying employment, social service or health needs; and had an income stream from six floors of commercial space that kept rents below market and largely without subsidy. That the previous execution had failed and the building was again in debt and disrepair raised the bar for strategic planning and creativity.



“Every human being
is called upon to be
a healer.”

— Henri J. M. Nouwen, *Reaching Out*

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Bruce Brown, Resident



Of the 259 rooms at the Residences at Wood Street, 63 are occupied by women and 196 by men. RWS respects gender identity of residents, who include African-American and Caucasian women and men ages 18 to 83. Twenty veterans reside at RWS. The median income is \$775 monthly with most residents having “very low” or “extremely low” income or living below the Federal Poverty Guideline. Sixty-six residents have been at RWS less than one year while 39 have lived in the building for more than 10 years. March 2021

Willie Edward McKinnon, III,
Resident

Beukema emphasized the need for patient capital from “the kind of investor that understands social dynamics on one hand and isn’t in need of a great return right away.” To persuade the investor, he says, you can’t just “pull at heart strings.”

Larry and Pat addressed finances. At a critical period, Beukema says, “there were more layers of financing on this than (layers of occupation that lie atop) the city of Troy.”

ACTION agreed to redevelop the property with the assistance of RWS board members. ACTION took the lead in identifying capital improvement funds for the commercial floors and applying for funds from the Pennsylvania Housing Finance Agency and the state Department of Community and Economic Development. The City of Pittsburgh and Allegheny County funded additional capital improvements and helped cover operating losses for three years.

“Pat and I worked out the details for an investment that allowed for the commercial space to be improved so it could be rented and an energy plan that would reduce building costs,” Larry says. “We obtained Section 8 vouchers for the residential units, which increased income,” he added.

The RWS board raised nearly \$5 million in two years for improvements and turned a critical corner when it secured tenants committed to leasing some of the commercial space. These commitments enabled a unique \$7.5 million plan with New Markets Tax Credits and other public funding. The board hired a management company to reduce operating costs.

But, “the outcome on the field on Saturday isn’t always what the coach drew at the chalkboard session on Monday,” Buekema says. During several years of transition, a crisis orientation held sway. Big funders in the foundation community wanted to see a more proactive approach to long term planning, as well as strategies to create a reserve fund for capital improvements and operations. ACTION and board members agreed to bring in an agent to recruit tenants for the available commercial space.

The goal was to ensure a viable community with reliable income streams even as housing options became more streamlined. “Today, the Residences at Wood Street operates with a positive cash flow and is fully occupied,” Larry says. “Pat worked endlessly to get to a break even budget and our team secured a \$3 million endowment from the McCune Foundation. For their commitment to RWS and its residents, we thank our boards, staff and volunteers; Allegheny County Department of Economic Development and Human Services; The City of Pittsburgh Urban Redevelopment Authority; FHL Bank Pittsburgh; PNC and Dollar Banks; the Hillman Family Foundations and the Heinz Endowments; UPMC and donors who prefer to remain anonymous.”

UNDERSTORY: What's Underneath a Rehab?

“When I get to the pearly gates, and I’m asked why they should let me in, I’m going to tell them ‘because I was at Wood Street,’” says David Noss, Principal at RSH Architects who completed an assessment of the structure’s physical needs in 2009 and concluded that the new ownership group had been “thrown under the bus...”

Noss and Pat Fenton, ACTION’s lead on the RWS initiative, had an extended baptism by fire. A five thousand square foot roof had to be replaced, HVAC throughout the building had to be upgraded. Huge cranes that required street closings and city permits had to be brought in to swing mechanicals up and over 16 stories. Requests from the crew filming Batman scenes on the same streets took precedence.

Issues bombarded the team daily. Ensure that the HVAC unit doesn’t sag or puncture anything, that its weight can be supported and protected from high winds, seismic events and severe storms. “The windows, the shell, the plumbing, insulation, elevators, everything,” needed replacement, renovation, or repair, Noss says.

More than 54,000 square feet of commercial space had to be brought to market. The renovations made for County offices in the mid 80s had serious deficits such as a lack of fire exits and the space had been abandoned. “We gutted all six floors,” Noss says, “redesigned the entire space for contemporary needs and technology.” Bathrooms were updated, security upgraded and lifts installed at commercial and residential entrances.

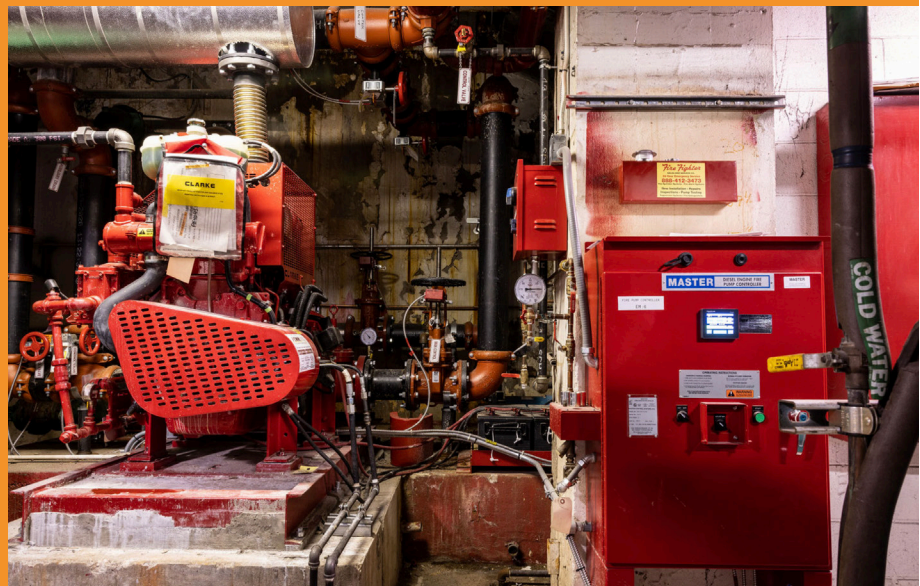
By late 2012, the commercial space was ready to market. A year later tenants were committed to lease nearly half the square footage. Within 10 years (2009-2019), RWS projected the property that was suffering a nearly \$900,000 annual loss would be an asset with positive cash flow.

Still, 80,000 square feet of residential space needed to be updated, so Noss and Fenton drew up the strategic plan

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(Opposite page) Danielle
Bradley, Housekeeping Staff

(Right) Emergency
Fire Pump





for the living spaces, basement level laundry, computer lounge, recreation/TV area, industrial kitchen and dining space.

Since construction and renovation had to be completed around the lives of the residents, schedules had to factor resident entry and exit schedules, monthly leases and vacancies as well as construction timelines and material deliveries. Residents of each floor had to be relocated within the building as their floor underwent rehabilitation.

Even little things, like replacing resident door locks, had a daunting price tag, Noss recalls. "If each lock costs a hundred dollars to buy and install and you have 259 rooms, well, it adds up."

Residents got better access to renovated bathrooms. Insulation and energy efficient systems meant quieter rooms. Individual heat pumps and thermostats gave residents control over the temperature in their 80 to 120 square foot room. New ceiling tiles, floor tiles and light fixtures enhanced aesthetics while new wiring and plumbing strengthened the infrastructure and reduced potential for fire and flooding.

Improvements came at a cost, though, in long term frustration as well as dollars. The elevator replacement burdened residents with lengthy shutdowns. Contractors failed to meet terms and deadlines or abandoned the job or their company folded. HVAC units failed. "The chiller system was never optimized," says RWS Director Kevin Hanley. "We spent years working with the original installers and the manufacturer and ended up spending millions to replace it long before it should've been."

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The scope of the work of transforming the building could easily have overwhelmed those who had taken on the job. "We're bounded by lots of things," Kevin says, "most of them money." But Pat encouraged him to examine every option, to think outside the box. "Our box isn't that big, but Pat would get the relevant people on the phone, look at every option within our reach" and ensure it "benefitted the people we serve."

Today, Wood Street's cash flow is in the black. "The nice thing about doing affordable housing," Kevin says, "it really touches people. This is their home and they're not well off. At the end of the day I know I've really helped somebody even if I've just replaced the elevator."



Our Residents



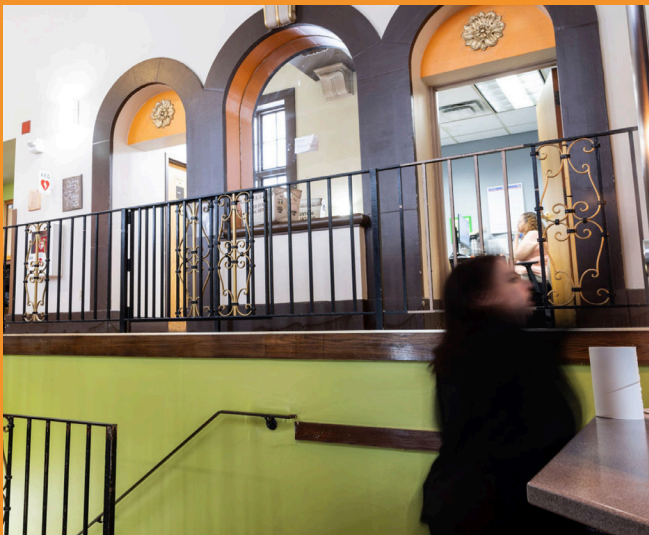
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(Clockwise from left)
Residents, Christina
Leonard, Michael Corwin,
and Frank Kurtzhal





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FUNDING PRIORITY: Bring the Office Space to Market

When ACTION-Housing’s Larry Swanson and Pat Fenton volunteered to create a new nonprofit in 2009 that would acquire and preserve a single-room occupancy residence in Downtown Pittsburgh for 25g women and men, they knew they had to find the right tenants for six floors of commercial space. Rent paid for that 54,000 square feet would help subsidize ten floors of low income residential units and a stable rental income was critical to the success of the Residences at Wood Street (RWS).

(Top to bottom) Renovated dining area on lower level of Residences at Wood Street • Architectural detail in residential lobby and entrance • Architectural detail in commercial entrance and lobby.

The Downtown location was an asset. But the presence of SRO units in the building would deter some potential tenants. Massaro Properties joined the venture.

But Associate Broker Martha Graham had a sinking feeling when she walked through the building with Pat Fenton. “This was going to be quite a project. Nothing had been done. Some of the office spaces had been torn out. There might have been some flooding. Pat had a vision. . . but it was hard for me to grasp.”

As she sat through board meetings about marketing and negotiations, though, she says, “I could tell (Pat) knew every aspect of what had to be done. He was a good businessman and a man with a good heart. He knew there was a need to provide these services and he had a business sense.”

Still, Graham knew “we weren’t going to get law firms, accounting firms or other corporate clients.” So Massaro and ACTION marketed the space to non-profit organizations whose missions were compatible with the RWS mission. But these targeted nonprofits would also have special leasing requirements because their own funding could change radically depending on priorities set by their governmental funding bodies and foundations. “Pat understood very well how such things worked,” Graham says. “We had to be sympathetic; the wording of the lease was critical.”

“You have to figure out how to attract tenants to the commercial floors who can pay the market rate,” says RWS Director Kevin Hanley. “They require our attention. Pat looked at stabilizing the operations not for the sake of cash flow but so we can preserve the asset for the people. He wanted that space leased. For four years, that was our focus.”

By 2015, however, the commercial space was still only 40 percent occupied and the building was still operating at a deficit, even though RWS had raised more than \$10 million, poured funds into upgrades, obtained subsidy payments to a specific population of clients, and attached tight oversight to annual expenses. It was five years before the commercial space was 100 percent occupied. Current tenants include PA CareerLink (scheduled to depart the building in fall, 2022), which provides career counseling, job search assistance, workshops, skill building courses, employer recruitment and placement, training and development services for employers; Project Silk which serves and supports the health and well-being of LGBTQ+ youth and young adults with an emphasis on those of color and the EARN (Employment, Advancement and Retention Network) Program which aids individuals without adequate income to overcome barriers to employment and coordinate employment and training. The other commercial tenants are the ELRC Region 5 whose mission is to ensure every child in Allegheny County has access to high-quality, accessible, and affordable early learning opportunities and the 412 Youth Zone (a program of Auberle) which provides a safe and welcoming one-stop center for young people ages 16-23 who are transitioning out of the foster care system and are eligible for independent living services or are experiencing unstable housing.

MEET AN RWS RESIDENT

Ernie Dozier, 72, trim and thin in his pressed black pants and mellow yellow shirt, hustles into the room, a pen in his shirt pocket, a tablet under his arm, a pristine Pirates cap on his head, and a clutter of lanyards, mini-wallet and a small silver crucifix hanging from his neck. “I wrote stuff for you,” he says as he takes a vinyl chair at the grey conference table, lays his tablet before him and sets the direct gaze of his warm brown eyes on the person across the table.

the Community Human Services offices had free game tickets to distribute. He has a radio in his room tuned most often to KDKA. In the communal area downstairs, he watches Columbo and Star Trek reruns on television.

Ernie loves fireworks and Kennywood. He likes bus rides to West Mifflin or WaterWorks Mall, Squirrel Hill and Ross Park Mall. “I like the ride through different neighborhoods, seeing people out on their lawn, cutting grass, enjoying themselves.”

Ernie never married and admits, “I’m usually happier when I’m alone.” Like Chuck Noll, he says, he likes to leave the talking to others, except when he can sit in Market Square laughing and talking with his buddies. He hopes to live to his 90s. “I don’t do any bad things. I don’t drink or take bad drugs. I pray.” He fingers the thick silver crucifix that hangs from his neck and says: “You have to let God work in his own way.”

He’s grateful for his good health and the eyeglasses that have reading lights embedded in the frames; that all the residents made it through the virus “as best they could,” and for the Community Human Services staff persons who organize his daily medications. He’s glad that Einstein’s is reopening on Market Square and that he can help out in the building by cleaning bathrooms and hallways, that he can walk in the parks and watch young people at play.

“I’m happy with my life,” he says.

Ernie’s been a resident since 1975, when the “Y” rented its rooms primarily to working men from out of town, most of whom went home on weekends, and local men who needed affordable housing. “It was nice,” Ernie says. “I had a job. I had a nice room on the tenth floor on the Wood Street side.”

He explains how the building was configured, how you could take your meal from the cafeteria to the patio, how you could always find work, paid or volunteer, in the kitchen, in janitorial service, or with building security. When he was younger and stronger, he often worked two jobs, seven days a week. He helped with the lifting on runs to the Food Bank, picking up the heavy cartons and stocking the Wood Street pantry.

He recalls the transition when the 15th floor was opened to women residents. “One woman came and was on that floor by herself for three months before more women came.”

Ernie describes a typical day: each morning, he gets up and dresses, then sits in the chair in his room and says to himself, “Ernie, what are you going to do today?”

He likes the location. “Everything is close: stores restaurants, Market Square, Point Park.” When weather permits, he’s outside, talking to friends and people watching. He’s learning to play chess. He loves the Pirates and recalls when

14 **Ernie Dozier, 72, has resided at RWS since 1975. Retired now, he often worked two jobs and also has been a volunteer worker in the building.**



**“I’m
happy
with my
life.”**



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YOUNG MEN'S
ASSOCIATION



CHRISTIAN
A.D. MCMXXIII

WHY AN SRO DOWNTOWN?

Why maintain a 16-story building in a prime city center location for residents who can't pay the freight? Because a city is more than a for-profit venture, more than its real estate. It's where we all meet — for work, walks down the boulevards and river fronts, for theater, museums, shopping in the Strip. We're buoyed by the energy on the streets, intrigued by the diversity on the sidewalks, and sated by a dinner in an edifice swathed in the style of old money.

Residents of the Residences at Wood Street walk or take a bus to their jobs at hotels and parking lots and charitable outlets on the North Side; they bus to the big church in East Liberty or walk to the one near the Point. They catch up on news at the Downtown library; they pick up takeout nearby. They access city and county services, charities, peer support, job training, and health care. They meet friends nearby or make friends when passersby stop to chat. They people watch, window shop, have a picnic, connect with a tourist, discover a shared interest. Like their city compatriots, our residents benefit from a 'bottom line' that has nothing to do with profit but with the humanity that can engage and enrich individual lives, community bonds and shared aspirations.

“You cannot replicate
what's been done here.”

— Tom Cummings
Former director of Housing
Urban Redevelopment Authority



**ACTION
HOUSING^{INC}**

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Photography by Matt Dayak