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CITY INFLATES PRICES FOR CONDEMNED HOMES

PG INVESTIGATION: After stalling nonprofit groups from acquiring blighted city-owned properties, city officials are now pushing for significant price hikes

By Michael Korsh Pittsburgh Post-Gazette

The two-story house at 4911 Broad St. lies fallow in Garfield, condemned by the city for more than half a decade.

The rotting wood in the roof and porch is hidden away by tangled vines that completely engulf the home's exterior, while shattered windows and plywood boards mark the entrances.

Building inspectors have paid dozens of visits to the property since its condemnation in April 2018 — and every time, they cited it for

unaddressed code violations, from missing siding to multiple structural deficiencies.

At the same time, nonprofit groups have waged a fierce legal battle to assume control of such properties, saying their owner — the City of Pittsburgh — has failed to properly maintain them.

Local officials have rebuffed the claims, arguing the government is exempt from the state's conservatorship law, designed to hold absentee landlords accountable for properties that have fallen into disrepair.

After Allegheny County Common Pleas

More inside

A sampling of proposed sales prices for Garfield and Spring Garden properties, A-11

Judge John McVay ruled in the community groups' favor in January — and Commonwealth Court declined to hear the city's appeal — the nonprofits are poised to finally begin the arduous process of rehabilitating some of Pittsburgh's most dilapidated units.

But as the ultimate owner, the city has the

SEE PRICES, PAGE A-11

REMEMBERING FLIGHT 93



Lucy Schaly/Post-Gazette photos

Marge Grimm, right, follows her husband, Kurt, through the massive concrete walls of the visitors center at the Flight 93 National Memorial in Stoneycreek, Somerset County, last week. It marked the first visit for the Grimms, who are from Pottstown, N.J.

NEVER FORGET

“Sept. 11” is as much a part of the American patriotic lexicon as “Remember the Alamo,” “Gettysburg” and “Pearl Harbor.” No explanation is needed. On Monday, the country for the 22nd time will mark the day that terrorists slammed hijacked aircraft into the World Trade Center and the Pentagon. In Somerset County, bells will toll as the names of the 40 passengers and crew who died aboard a hijacked United Airlines jet are read at the Flight 93 National Memorial, honoring their efforts to keep the plane from crashing into the U.S. Capitol Building.

See more photos, Page A-4, and story, Page A-17



This strip of black granite on the floor of the visitors center depicts part of the path of destruction that occurred Sept. 11, 2001. At 9:37 a.m., American Airlines Flight 77 hit the Pentagon. The other acts of terror that day follow the marble path, which leads to the crash site of Flight 93.

Frustration grows over assessment appeals lag

By Mark Belko Pittsburgh Post-Gazette

The Allegheny County property assessment system is forcing Patience Sikora to live up to her first name.

Ms. Sikora has been waiting more than a year to get results after the Baldwin-Whitehall School District appealed the property assessment on her house on Blossom Road in Baldwin Borough.

The hearing was held Aug. 25, 2022. Since then, she has heard nothing. She admits that she's losing, um, patience with the system and the long, anxious wait it has triggered.

“I think the biggest word is disappointment. Taxes are not new. The manner in which property is assessed is not some new concoction. We are finally becoming victims of a system that has been broken for decades and it's just not fair to us,” she said.

Ms. Sikora is not alone.

SEE APPEAL, PAGE A-9

AI is shaping future of Pittsburgh's most iconic manufacturers

By Evan Robinson-Johnson Pittsburgh Post-Gazette

From steel to paint to ketchup, Pittsburgh's oldest and largest manufacturers are learning how to automate their operations with artificial intelligence.

U.S. Steel is using “MineMind,” a generative AI tool created by Google Cloud, to keep trucks running smoothly at its largest iron ore mine.

PPG Industries is creating paint schemes faster and more efficiently for the cars it coats in Europe.

And last year, Heinz joined the AI marketing fray with a 55-second ad featuring computer-generated renderings of its popular tomato-based condiment.

Although the specific technologies vary,

SEE AI, PAGE A-7

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Weather Daytime high 75, tonight's low 59. Page A-24

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PG INVESTIGATION: City inflates prices for crumbling homes

PRICES, FROM A-1

right to name the purchase price for its homes, like the one on Broad Street.

Their proposed price tag: \$81,600 — more than six times what the property was sold for in 2016.

“That’s ridiculous,” said Frank Ford, a senior policy adviser at the Fair Housing Center in Cleveland. “Nobody in their right mind is going to pay \$80,000 for that house. They’re probably going to have to spend two to three times that just to bring it up to code.”

To housing experts and local nonprofit leaders, the list of more than 40 proposed sales prices, obtained by the Post-Gazette, represents the latest obstruction from Pittsburgh officials in returning to the tax rolls more than 13,000 homes and lots under the city’s ownership.

“I don’t know if they think that they’re serving the interests of the taxpayer by doing that — trying to recoup not only what they may have lost in back taxes, but what they think is now found revenue for the city itself,” said Rick Swartz, executive director of the nonprofit Bloomfield-Garfield Corporation.

Mr. Swartz said the city’s seemingly exorbitant sales figures puzzled him — but he was even more struck by the lack of transparency as to how they were calculated.

He said the city’s real estate division, housed within the Department of Finance, typically performs these valuations. Instead, the proposals were submitted by assistant city solicitor Jack Miller, records show.

“I sincerely doubt that the team at city law that sent those prices has walked through those houses and evaluated their condition,” said Kendall Pelling, executive director of Rising Tide Partners, which is seeking to take over multiple homes on the list.

A spokesperson for Mayor Ed Gainey declined to answer questions from the Post-Gazette about the proposed prices, including the city’s methods for determining them.

‘Deplorable’ homes given staggering price points

In Garfield, more than 450 vacant, city-owned properties mar the neighborhood — one of the highest concentrations in the entire city, a Post-Gazette analysis found.

But in the absence of a well-resourced land bank — or a comprehensive plan to address the city’s wasteland of blighted structures — these enduring scars from a half-century of urban decline have only been exacerbated.

Five blocks away from the home swallowed up by overgrowth, another city-owned home on Broad Street has been condemned since 2020.

Since then, the Department of Permits, Licensing and Inspections has repeatedly cited it for broken windows, a cracked foundation and missing downspouts, records show.

The city’s price tag: \$80,000 — a more than thirty-fold increase from the meager \$2,600 it was sold for in 2016.

Another property on the list, located on Hillcrest Street, was given a proposed price of \$58,600. But the home has been condemned since 2018, and building inspectors have labeled its condition “deplorable” on a dozen separate occasions, records show.

“It seems to me that it’s a decision based on a financial calculation, for the city’s budget,” said Mr. Ford.

In Cleveland — home to one of the nation’s most active land banks — city officials took a similar approach a decade ago, seeking to maximize revenue while ignoring the harm that dilapidated structures pose to the surrounding community.

“That way of thinking is in the past,” he said. “Nobody would do that here.”

Today, Cleveland’s land bank has turned to a new strategy: offering to sell vacant property for nominal amounts — as low as \$1 — on the condition that the deed only transfers after the new owner sufficiently addresses



Photos by Tim Robbiano/For the Post-Gazette

The city solicitor’s office proposed a sale price of \$80,000 for this home at 5349 Broad St. in Garfield. But the property has been condemned for more than three years, and city inspectors have issued a series of code violations, citing everything from a cracked foundation to a rotting roof.



Condemned since November 2017, this city-owned home at 5410 Kincaid St. in Garfield has been given a proposed sale price of \$75,000. Building inspectors from the city Department of Permits, Licensing and Inspections have repeatedly cited it for such things as structural deficiencies in the front overhang and missing bricks in the chimney.



Vines and overgrowth have overtaken this property at 4911 Broad St. in Garfield. The city’s suggested price tag for the crumbling unit: \$81,600.

Massive inflations for condemned city-owned properties

The proposals for city-owned homes in Spring Garden* and Garfield shows increases as high as thirty times the previous sale prices.

ADDRESS	PRIOR SALE PRICE (Allegheny County assessment)	DIFFERENCE	CITY’S PROPOSED PRICE
835 Vista St.*	← \$6,372	\$84,628	\$91,000
916 Constance St.*	32,002	56,998	89,000
4911 Broad St.	← 12,684	68,916	81,600
5349 Broad St.	← 2,600	77,400	80,000
5466 Broad St.	33,396	46,604	80,000
5410 Kincaid St.	17,475	57,525	75,000
5137 Broad St.	20,553	50,447	71,000
318 N. Graham St.	25,758	45,242	71,000
418-420 N. Aiken Ave.	← 4,268	66,032	70,300
321 N. Atlantic Ave.	← 13,016	51,984	65,000
424 N. Mathilda St.	17,741	44,259	62,000
5155 Hillcrest St.	← 5,169	53,431	58,600
5452 Kincaid St.	18,602	35,798	54,400
5120, 5118 Rosetta St.	← 13,393	36,607	50,000

Source: List of proposed sale prices obtained by the Post-Gazette; Allegheny County property assessments

Research: Michael Korsh; graphic: James Hilston/Post-Gazette

code violations and safety hazards.

“I would view a public entity the same way I would view a nonprofit, mission-oriented organization. The outcome ought to be, what’s the result we want for the neighborhood and the people who live there? That should be the first consideration,” Mr. Ford said.

Competing city offices lead to contradictions

About 4 miles away from Garfield, a home on the North Side has been under the city’s ownership since

2016. In June 2019, city inspectors wrote, “This structure is condemned and must be made safe immediately.”

But an official condemnation for the property wasn’t filed until over a year later, records show.

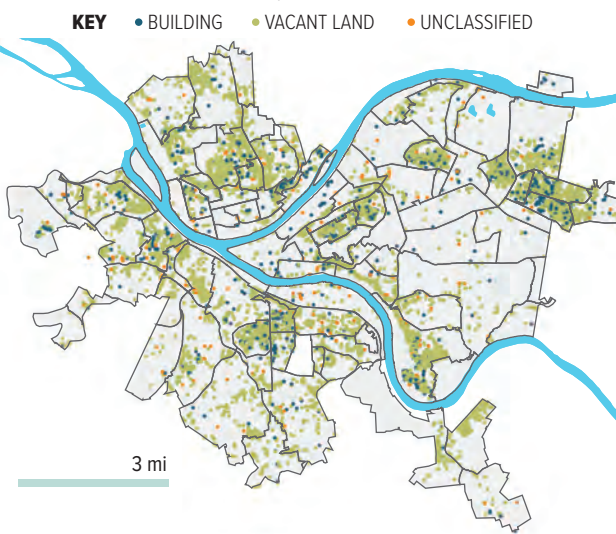
The proposed sales price: a whopping \$91,000.

“It’s not possible to create affordable homeownership and pay these kinds of prices. It’s also not possible for the city to get these types of prices for properties they’ve let go to hell,” said Mr. Pelling of Rising Tide Partners.

To him, these inflated

City’s troubled portfolio spans more than 13,000 vacant properties

Local nonprofit groups have argued that Pittsburgh officials have failed to properly manage the homes, and are seeking to take over many homes under the state’s conservatorship law.



NEIGHBORHOODS WITH THE MOST CITY-OWNED VACANT PROPERTIES

Hazelwood	910
Perry North	863
Homewood North	597
Larimer	570
Garfield	459
Sheraden	436
Perry North	434
Homewood South	429
Lincoln-Lemington-Belmar	420
Beltzhoover	410

Sources: Esri, City of Pittsburgh, courtesy of Western Pennsylvania Regional Data Center

Research: Michael Korsh
Graphic: James Hilston/Post-Gazette

prices reflect a deep irony within Mr. Gainey’s administration: While the mayor claims affordable housing is a top priority — proposing millions in bond issues from the Urban Redevelopment Authority to finance its goals — other city departments are actively hindering the conversion of blighted structures the URA tagged for affordable development years ago.

“We can’t have the URA rowing toward affordable homeownership while the city’s real estate and law offices are rowing backwards on affordable homeownership,” Mr. Pelling said. “It’s hard enough in the best circumstances.”

After years of inertia, the Pittsburgh Land Bank — responsible for stabilizing and transferring the city’s abandoned properties — has finally seen recent successes,

with the agency clearing its fifth sale at the end of last month.

But in order to assist the land bank in achieving its goals, there must be enough of an incentive to purchase and fix crumbling properties, experts and advocates say.

“[The prices] would make it nearly impossible for the average Joe to buy one of these properties with the intent of renovating it as their first home,” said Mr. Swartz of the Bloomfield-Garfield Corporation.

Additionally, neighborhoods such as Garfield have been deeply wary of gentrification; Mr. Ford of Cleveland’s Fair Housing Center said the lofty costs could also draw “nefarious” buyers who can afford them.

“You’re going to be attracting buyers that don’t know what they’re doing, or attracting a buyer who knows exactly what they’re doing, and is going to avoid a responsible approach,” he said.

Mr. Swartz said the courts — which can order independent appraisals of a property’s fair market value — will be able to supplant the city’s proposals, if a judge finds the city fails to address an ailing property under conservatorship.

“We think the city should derive some money from the transfer of properties from its own inventory over to the land bank. But to put sales prices such as what we’ve seen in the last week on these properties — that’s going to be, I think, counter to our purposes,” he said. “That’s the kind of contradiction that tells us we have a ways to go.”

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