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A Neighborhood's Comeback

Part of Pittsburgh Finally Recovers From 1950s Planners; Google Sets Up Office

By JAMES R. HAGERTY

PITTSBURGH—Starting in the mid-1950s, civic leaders tried to revitalize East Liberty, a once-thriving shopping district suffering from white flight to the suburbs. Now, East Liberty finally is recovering from errors made by city planners—mistakes repeated across the U.S. in that era of giant urban-renewal projects.

Trendy restaurants with names like brgr and Union Pig & Chicken are proliferating in East Liberty, a neighborhood of about 6,000 residents four miles east of downtown, wedged between some of Pittsburgh's wealthiest and poorest areas. Crumbling office and commercial buildings are being converted into apartments, promising "urban chic" for people who work at nearby hospitals and universities.

Such retailers as Target Corp. and Whole Foods Market Inc. have lured shoppers back. Hotels are in the works. The average sales price for homes in East Liberty last year was about $80,000, still modest but up more than 60% from a decade earlier.

East Liberty's experience shows how long it can take to recover from botched efforts to remake neighborhoods. In St. Louis, 33 low-income housing towers, known as the Pruitt-Igoe development, were built in the 1950s and torn down as crime-ridden failures in the 1970s. Today, the site remains vacant and overgrown with weeds; a redevelopment plan is tied up by a legal dispute over tax incentives.

Spurred by the U.S. Housing Act of 1949, large, federally funded urban-renewal projects tore up scores of cities in the 1950s and 1960s, clearing areas that were considered hopeless slums. "In many cases, it destroyed active if not thriving communities," said Patrick Phillips, chief executive officer of the Urban Land Institute, a Washington-based nonprofit whose members include real-estate developers and lenders. Instead of preserving interesting old architecture, planners often razed vast areas.

Even so, some downtown projects eventually paid off by making space for cultural facilities, offices and convention centers, said Lynne Sagalyn, a real-estate professor at Columbia University in New York.
In today's era of constrained government spending, planners don't have the money to make giant mistakes. So they pursue incremental changes. They are more inclined to preserve historic buildings.

Money for change often flows to small nonprofit community groups from foundations and banks, seeking to fulfill their Community Reinvestment Act requirements. Those small nonprofits can be more nimble than city governments.

East Liberty's $58 million urban-renewal plan demolished 1,100 homes and relocated 3,900 people. A pedestrian mall was expected to be a magnet for shoppers. Traffic was rerouted around that mall in a way that meant drivers passing through saw only the backs of the stores. Jumbles of old shops and homes yielded to parking lots. The poor moved into new high rises.

"It didn't bloom like we had hoped," conceded Robert Pease, 87 years old, who oversaw the project as head of Pittsburgh's Urban Redevelopment Authority in the 1960s. The high-rise housing led to a greater concentration of poverty and crime. The parking lots were ugly dead zones. All of the major stores eventually closed.

In 1979, the few surviving merchants helped set up a nonprofit, East Liberty Development Inc., to come up with a new plan. Largely staffed by white people who lived elsewhere, the nonprofit clashed with the mostly African-American residents, who charged that their interests were being ignored.

In the mid-1990s, East Liberty Development installed new management and began making more efforts to involve the residents and improve housing. One of its most successful programs has been to acquire vacant houses from absentee landlords, one by one, and find people to renovate and occupy them.

In the late 1990s, Tom Murphy, then Pittsburgh's mayor, persuaded Home Depot to open a store in East Liberty, starting a retail revival. The city tore down the failed high rises and turned the pedestrian mall back into a street.

About the same time, developer Steve Mosites wanted to attract a high-end grocery store to eastern Pittsburgh, popular with doctors, professors and other well-heeled people. Land prices were too high in the wealthy Shadyside district, so he settled on the fringes of neighboring East Liberty. In 2002, Whole Foods opened a store on a site owned by Mr. Mosites's family firm. The success of Whole Foods and Home Depot eventually encouraged Trader Joe's and Target to move into the area.

Kazanda Tamo opened a coffee shop in East Liberty a year ago, featuring beans grown by her father in Haiti. Her husband, Alain, runs a computer-repair shop next door. They formerly lived in New Jersey but found real-estate prices too steep there. "We Googled our way to Pittsburgh," said Ms. Tamo. So did Google Inc.: It has set up an office in a converted cookie bakery just outside East Liberty.
East Liberty today looks unplanned. Posh boutiques are just down the street from nail salons and a payday lender. Bars, a revived theater and nightclubs keep the streets lively at night.

The crime rate remains well above the city average, and there are scores of vacant buildings, lots and houses. But Mr. Pease, who led the 1960s urban renewal, said East Liberty has turned a corner and become "a destination" once again. The lesson for planners, he said, is "to do the best you can"—and then "be patient."