

## I. Affordable Housing Task Force (AHTF)

In January 2015, Councilman R. Daniel Lavelle introduced legislation to City Council to create an Affordable Housing Task Force (AHTF). The resolution was signed by Mayor William Peduto in February 2015, leading to the establishment of the Affordable Housing Task Force in May 2015.

### The Charge

This task force is charged with assessing the current and projected future landscape of housing affordability in the City of Pittsburgh, evaluating current programs and initiatives to produce new affordable units and preserve existing ones, and making recommendations to the Mayor and City Council for their consideration and action.

## II. Timeline

- December 8, 2015 : Updated the Planning Commission
- February 2016: Building Inclusive Communities State of Housing Meeting
- March 2016: Deliberative Democracy Session
  - Monday March 7 - West End
  - Tuesday March 15 - Southside
  - Wednesday March 23 - Northside
  - Tuesday March 29 - East End
  - Tuesday April 5 - Central
- April 2016: Launch of AHTF Website
- April 2016: Televised City Council post-agenda meeting
  - Preliminary Recommendations
- May 2016: City Council Action

## III. AHTF Committees

Four committees have been created to work on the tasks and deliverables noted in the legislation. These committees are actively meeting to work on the specific tasks and deliverables identified in the legislation.

### Policy and Recommendations

- Review and assess a variety of housing policies, both for short-term and long-term implementation.
- Analyze best practices nationally, and locally, focusing on preserving affordability, building mixed-income communities.

**Committee Members:**

*Councilman R. Daniel Lavelle (Co-Chair), Ray Gastil (Co-Chair), Congressman Mike Doyle, William Brooks (Laborers Local 373), Fred Brown (City Planning Commission), Sara Davis Buss (Campbell & Levine, LLC), Majestic Lane (PCRG), Gale Schwartz (PA Housing Alliance), Robert Hurley (Allegheny County Economic Development), Mark Masterson (Northside Community Development Fund), Linda Metropulos (ACTION-Housing), Sam Williamson (SEIU-32BJ)*

**Needs Assessment**

- Study and analyze data, trends, and market demands associated with the local and regional housing markets
- Review existing housing conditions in the City of Pittsburgh, perform demographic and demand analysis, assess gaps within the market, and provide projections and scenario studies.
- Ongoing review of the Housing Needs Assessment Analysis.

**Committee Members:**

*Councilman R. Daniel Lavelle (Co-Chair), Director Raymond Gastil (Co-Chair), Senator Jay Costa, Fred Brown (City Planning Commission), Tom Cummings (URA), Carla Falkenstein (PHFA), Bill Gatti (TREK Development), David Weber (HACP)*

**Feasibility**

- Study the implications and impacts associated with various policies and programs reviewed by the Affordable Housing Task Force
- Assess the legal, financial, and organizational capacity to support new policies and programs aimed at building mixed-income communities and preserving affordability.
- Ongoing review of the Feasibility Analysis.

**Committee Members:**

*Councilman R. Daniel Lavelle (Co-Chair), Director Raymond Gastil (Co-Chair), Councilman Rev. Ricky Burgess, Tom Cummings (URA), Tamara Dudukovich (BNY Mellon), Bill Gatti (TREK Development), Valerie McDonald-Roberts (City of Pittsburgh), Linda Metropulos (ACTION-Housing), Bob Damewood (Regional Housing Legal Services)\*, Macy Kisilinsky (PNC Bank)\* \* Not an Affordable Housing Task Force member.*

## Community Engagement

- Work collaboratively with institutions, community organizations, and programs to receive input and feedback.
- Advise AHTF on community engagement strategies.
- Oversight of the Deliberative Democracy Community Forums.

### *Committee Members:*

*Councilman R. Daniel Lavelle (Co-chair), Director Raymond Gastil (Co-chair), Councilman Dan Gilman, Representative Ed Gainey, Richard Butler (South West Pittsburgh CDC), Majestic Lane (PCRG), Gale Schwartz (PA Housing Alliance), Barney Oursler (Pittsburgh United)*

## IV. Community Forums

Five public community meetings have been held across the city in the Deliberative Democracy format to comprehensively include the community in the Task Force recommendations.

- Monday March 7, 2016 - American Legion 2863 Chartiers Ave.
  - Attendees: 54
  - Discussion of Ideas and Concerns from Survey and Discussions:
    - Increasing homeownership
    - Programs and funds available to assist rehabilitation of distressed properties
    - Concerns regarding lack of code enforcement for privately owned distressed properties
    - Education opportunities regarding homeownership and city functions are needed
    - Resources to assist seniors aging in place
    - Overcoming the negative stigma with Public Housing tenants and residents that use Section 8 Voucher
    - Housing protections for moderate/middle income households (especially in regards to taxes and home improvements)
- Tuesday March 15, 2016 - Knoxville Lifespan Resource Center 320 Brownsville Rd.
  - Attendees: 28
  - Discussion of Ideas and Concerns from Surveys and Discussions:
    - How to reverse decades of disinvestment
    - Connecting segmented/fragmented populations racially and economically to better quality housing and access to transportation
    - Increasing housing that is ADA accessible

- Resources to assist seniors aging in place
- Exploring different housing typologies to address housing solutions that are affordable at various income levels (Micro units, tiny houses, co-housing)
- Wednesday March 23, 2016 - National Association of Letter Carrier 841 California Ave.
  - o Attendees: 73
  - o Discussion of Ideas and Concerns from Surveys and Discussions:
    - Creating an inclusionary housing/zoning requirement
    - Resources to assist Seniors aging in place
    - Exploring different housing typologies to address housing solutions that are affordable at various income levels (Micro units, tiny houses, co-housing)
    - Mechanisms to stabilize rental rates
    - Creating an Housing Trust Fund
    - Increasing homeownership
- Tuesday March 29, 2016 - Kingsley Association 6435 Frankstown Ave.
  - o Attendees: 193
  - o Discussion of Ideas and Concerns from Surveys and Discussions:
    - Creating an inclusionary housing/zoning requirement
    - Rent control
    - Connecting segmented/fragmented populations racially and economically to better quality housing and access to transportation
    - Exploring different housing typologies to address housing solutions that are affordable at various income levels (Micro units, tiny houses, co-housing)
    - Creating an Housing Trust Fund
    - Increasing housing that is ADA accessible
- Tuesday April 5, 2016 - Hill House Association 1835 Centre Ave.
  - o Attendees: 81
  - o Discussion of Ideas and Concerns from Surveys and Discussions:
    - Creating an inclusionary housing/zoning requirement
    - Rent control
    - Creating an Housing Trust Fund
    - Increasing homeownership
    - Increasing housing opportunities for people earning too much for Section 8 and too little to own a home (moderate/middle income)

## IV. Preliminary Recommendations for City Council Consideration

**A. GOAL:** With a goal that 20% or more of residential development in Pittsburgh over the next 10 years be affordable. The Task Force submits these primary recommendations to achieve that goal.

### Production and Financing of Affordable Housing

#### **1. Preliminary Recommendation for City Council Consideration:** Affordable Housing Trust Fund

**Opportunity:** Stabilize and improve Pittsburgh neighborhoods through dedicated sources of revenue.

#### **Potential Application in Pittsburgh**

- Repair the existing housing stock and improve energy efficiency, health, and safety.
- Increase and stabilize resident homeownership.
- Close Pittsburgh's affordability gap.
- Help give low-income Pittsburgh residents increased stable housing options.
- Support permanent affordability through tenant ownership and community land trusts.
- Provide opportunities for affordable home ownership.
- Address vacant housing and buildings throughout the City.

#### **Suggested Program Structure**

- 5-person Governing Board (3 public representatives, 2 citizen members) would establish Trust Fund policies and make decisions regarding the use of funds
- An 11-person Advisory Board (3 public representatives, 8 citizen members) would make recommendations regarding policies and the use of funds, and provide oversight of the performance of the Trust Fund.
- The URA would staff the Trust Fund and administer its assets under contract with the City
- The Governing Board and Advisory Board would make decisions at monthly meetings that are open to the public and that provide an opportunity for public comment.
- An audit and report of Trust Fund activities will be made publicly available every year.

- Sources to be identified and approved by the Mayor and Council, such as tax increment capture, realignment of the City's tax abatement programs, foundation and corporate support, and new federal and state grant and tax revenue opportunities.

### **Mechanisms for Implementation**

- Target fund size goal of \$10 Million per year.
- Uses would ultimately be determined by the Governing Board.
- Potential uses identified by AHTF and Housing Trust Fund Working Group
  - Production
  - Rental Assistance
  - Rental and Homeowner Rehab
  - Preservation of Existing Affordable Housing
  - Targeted to greatest need <50% AMI
  - Long term/permanent affordability through land trust or co-op models
  - Layer with 4% LIHTC for further viability
  - Active role for neighborhood organizations
  - Goal/set-aside for handicap accessibility and universal design standards

### **2. Preliminary Recommendation for City Council Consideration:** Increasing and Expanding Utilization of LIHTC

**Opportunity:** The Low-Income Housing Tax Credit (LIHTC) program (9% and 4%) is designed to cover the gap between the cost of developing an affordable rental property and the amount of financing that may be raised based on rents that a low-income family can afford. The 9% LIHTC is a limited funding source that covers nearly 90% of the cost of development, but is distributed through a highly competitive application process. The 4% LIHTC produces approximately one-third of the funding that the 9% LIHTC provides. While the 4% LIHTC does not provide the same potential level of gap financing as the 9% LIHTC, it could be more effectively and broadly used for the preservation of existing affordable housing as well as production of new affordable housing.

### **Potential Application in Pittsburgh**

- Supporting the acquisition and rehabilitation of existing housing stock.

- Supporting the recapitalization and preservation of existing affordable housing stock in need of moderate rehabilitation.
- Combining 4% LIHTC with an incentivized affordable housing policy that provides an offsite development option.
- Finance development for mixed income housing, with mixes ranging from 20% affordable units at 50% or below of AMI to 100% affordable projects.

### **Suggested Program Structure**

- Increasing the number of applications from Pittsburgh to the Federal Home Loan Bank
- Layering with Historic Preservation Tax Credits
- Coupling with HACP Project Based Vouchers
- Land Bank Recommendations- opportunity to sell land at below market rates for affordable housing

### **Mechanisms for Implementation**

- In strong markets, utilize 4% LIHTC to incentivize and leverage more units in market-rate developments. The 4% LIHTC can be packaged with traditional financing to make affordable housing production more feasible. Work with both market-rate residential developers and PHFA to determine existing barriers and work to streamline the process.
- The 4% LIHTC can be utilized as a neighborhood stabilization tool. The tax credit would provide a highly valuable resource to acquire and rehabilitate existing vacant and dilapidated buildings. A block by block strategy could be used in neighborhoods where there is significant need.
- The 4% LIHTC can be used as a tool to preserve affordable housing stock that is only in need of a moderate rehab. For example, building systems, such as the HVAC system, might need replaced or the roof may need repaired; however, individual unit renovations may be minimal. In those situations, the 4% LIHTC may provide the gap financing needed to preserve the affordable housing for another 30 years.

### **3. Preliminary Recommendation for City Council Consideration: Incentive-Based Inclusionary Housing**

**Opportunity:** Further the City's goals of building mixed-income communities by capturing the value in projects and areas of opportunity.

#### **Potential Application in Pittsburgh**

- Generating affordable units through public benefit.
- Public benefit:

- o Financial Public Benefit- TIF/TRID/Incentives/Below Market Land Sales/  
Public Loans.
- o Value created through Zoning

### **Suggested Program Structure**

- Apply to housing developments (for-sale or rent), which receive public benefit, and are greater than 25 units.
- Serve households at or below 50% AMI for rental, 80% AMI for ownership.
- May offer developers flexibility to offset with preservation of existing buildings and off-site construction.
- Focused on areas of opportunity or near originating development.
- Responsive to local neighborhood conditions.
- Affordability for at least 30 years, renewing upon sale.
- Opportunities for community land trust ownership.
- Build affordable units to be reasonably indistinguishable and evenly distributed.

### **Mechanisms for Implementation**

- For further investigation:
  - o Review of Tax Abatement Programs
  - o Formal amendments to the Zoning Code
  - o Affordable Housing Impact Statement/ Nexus Studies
  - o Review of State and Local TIF Statutes
  - o Tools for targeted neighborhood minimum inclusionary goals, such as zoning overlay and Interim Planning Overlay District.

## **Preservation of Existing Affordable Housing**

**4. Preliminary Recommendation for City Council Consideration:** Preservation of Existing Deed-Restricted Housing

**Opportunity:** To preserve existing income-restricted affordable housing.

### **Potential Application in Pittsburgh**

- Rent restrictions for 1,729 units of income-restricted affordable housing are set to expire by 2020.
- A total of 10% of the housing units in the City of Pittsburgh, or 15, 809 units, are income-restricted.

### **Suggested Program Structure**

- Local Preservation Database
- Preservation Provisions
- Public Housing

### **Mechanisms for Implementation**

- Monitor property conditions and use restrictions through the Western PA. Regional Data Center.
- Allow for the public sector to retain the ability to keep deed-restricted units affordable after the expiration of restrictions.
- If URA funding involved:
  - Long notice periods along with a policy seeking negotiated purchase
  - Right of first offer for tenants with an endorsed non-profit
- State advocacy for lasting affordability related to PHFA funding or LIHTC award.
- Work with Housing Authority of City of Pittsburgh:
  - One-to-one replacement housing
  - Leverage Move-to-Work Flexibility Extension
  - Bridges Beyond Blight Pilot

## **5. Preliminary Recommendation for City Council Consideration:** Preservation of Naturally-Occurring Affordable Housing

**Opportunity:** To address existing affordable housing stock, both rental and for-sale, that is neither deed-restricted nor income-restricted.

### **Potential Application in Pittsburgh**

- A majority of participants in the Deliberative Democracy community forums expressed a need to support existing homeowners, improve rental housing, and provide resources for the rehabilitation of Pittsburgh's existing housing stock.

### **Suggested Program Structure**

- Long Time Owner Occupant Program
- Rental Registration Ordinance
- Source of Income Ordinance
- Tenant Protections

### **Mechanisms for Implementation**

- Establish a real estate tax circuit breaker provision that eases or eliminates rapid spikes in assessment due to a change in market conditions.
- Defend the Rental Registration Ordinance.
- Defend the Source of Income Ordinance.
- Support Just Cause Eviction provisions for housing developments receiving public assistance.
- Support Tenant Protection provisions for housing developments receiving public assistance.
- Support Relocation Assistance provisions for housing developments receiving public assistance.