Inclusionary Zoning Overlay District (IZ-O)

April 6, 2021
Planning Commission Hearing
2:00 PM

Director Andrew Dash
Planner Christopher Corbett
AGENDA

• Overview

• Inclusionary Zoning

• Inclusionary Zoning in Lawrenceville

• IZ-O Purpose and Process
Affordable Housing Work To Date:
Affordable Housing Task Force

- Created in 2016 via Executive Order
- 26 members including:
  - elected officials,
  - housing developers (market-rate & affordable),
  - community organizers, and
  - advocates
- Four committees:
  - Policy and Recommendations
  - Community Engagement
  - Needs Assessment
  - Feasibility
Affordable Housing Task Force: Recommendations and Actions

• Creation of Housing Opportunity Fund
• Increase Utilization of 4% Low Income Housing Tax Credit
• Preservation of Existing Affordable Housing
• Protection of Existing Homeowners and Tenants

• Inclusionary Housing
  • Creation of Exploratory Committee & subsequent report
  • *Pilot Inclusionary Zoning Ordinance: Lawrenceville*
Interim Planning Overlay District (IPOD)

• What is an IPOD?
  • Tool that provides temporary zoning in a specific area of the City where existing zoning doesn't provide sufficient standards for the area's current activities.
  • Does not replace an area's base zoning. Can only add more controls, cannot add incentives.
  • Once approved by City Council, an IPOD is in place for 18 months. It can be extended an additional six months by Council.
  • Intent is to be replaced by permanent zoning informed by Pilot + further study

Previous IPODs
• IPOD-6
  • Inclusionary Zoning Interim Planning Overlay District (expiring June 2021)
• IPOD-4: Uptown (2015)
  • Expired and replaced with new zoning developed during through community planning
• IPOD-5: Riverfront (2016)
  • Expired and replaced with new zoning developed through community process
Inclusionary Zoning
What is Inclusionary Zoning?

Inclusionary Zoning (IZ) is an ordinance that promotes affordable housing through:

• Tying the construction of market-rate housing to that of affordable housing.

• Requiring/incentivizing new residential development to make a percentage of the units affordable to residents of a certain income level (typically low-or-moderate-income residents).
Inclusionary Zoning in Pittsburgh

• Where?
  • Uptown Public Realm (UPR) - adopted December 2017, incentivized
  • Riverfront Zoning District (RIV) - adopted July 2018, incentivized
  • Urban Industrial (UI) - Introduced by City Council but not passed, mandatory
  • IPOD-6 – piloted in Lawrenceville, passed June 2019, mandatory

• How?
  • In UPR and RIV, Incentive-based through use of Performance Points
  • # Points earned depend on level of affordability
  • Points can be used for additional height (in both districts) or to build closer to the river (RIV)
Inclusionary Zoning in Lawrenceville
Inclusionary Zoning in Lawrenceville

• Led by Lawrenceville United (LU), Lawrenceville Corporation (LC), Councilwoman Deb Gross, and the Department of City Planning we co-hosted three “Housing For All” community meetings:
  • **Meeting 1**: September 25, 2018
  • **Meeting 2**: October 17, 2018
  • **Meeting 3**: November 5, 2018

• Interest and support expressed at those meetings resulted in Lawrenceville volunteering to become the pilot neighborhood for an Inclusionary Zoning IPOD.
Timeline for IPOD-6

- Public Process: Fall/Winter 2018
- PC Recommendation of Approval: April 23, 2019
- City Council passage: July 25, 2019
- PC Recommendation of six-month extension: December 8, 2020
- City Council extension by six months: January 19, 2021
- IPOD-6 Expiration: July 25, 2021
## What is Allowable Pricing in Pittsburgh?

<table>
<thead>
<tr>
<th>Housing Costs</th>
<th>50% AMI Rent*</th>
<th>60% AMI Rent*</th>
<th>80% AMI Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 bedroom</td>
<td>$713</td>
<td>$855</td>
<td>$922 ($105,000)</td>
</tr>
<tr>
<td>2 bedroom</td>
<td>$855</td>
<td>$1,026</td>
<td>$1037 ($128,000)</td>
</tr>
<tr>
<td>3 bedroom</td>
<td>$988</td>
<td>$1,186</td>
<td>$1152 ($146,000)</td>
</tr>
<tr>
<td>4 bedroom</td>
<td>$1,103</td>
<td>$1,323</td>
<td>$1245 ($155,000)</td>
</tr>
</tbody>
</table>

*Rent Figure Assumes Utility Costs included

|$ monthly cost | ($purchase price) |

Source: HUD 2018
<table>
<thead>
<tr>
<th>Income Levels</th>
<th>1 person</th>
<th>2 person</th>
<th>3 person</th>
<th>4 person</th>
<th>5 person</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% AMI</td>
<td>16,000</td>
<td>18,250</td>
<td>20,780</td>
<td>25,100</td>
<td>29,420</td>
</tr>
<tr>
<td>50% AMI</td>
<td>26,600</td>
<td>30,400</td>
<td>34,200</td>
<td>38,000</td>
<td>41,050</td>
</tr>
<tr>
<td>60% AMI</td>
<td>31,920</td>
<td>36,480</td>
<td>41,040</td>
<td>45,600</td>
<td>49,260</td>
</tr>
<tr>
<td>80% AMI</td>
<td>42,600</td>
<td>48,650</td>
<td>54,750</td>
<td>60,800</td>
<td>65,700</td>
</tr>
</tbody>
</table>

Source: HUD 2018
• Since the IZ Pilot started new affordable rental and for-sale units have been created.
  • Arsenal 201, Phase II (Milhaus): 35 rental units
  • Holy Family (E Properties & Development): 5 for-sale units (condos)
• Implement a Housing Affordability Tracker
  • City-wide snapshot of progress made in reaching goals of creating, preserving and investing in affordable housing.
    • Number of Affordable Units
      • Units by AMI, Project Type
    • $ in Public Agency Funds
    • MultiFamily Projects (>2 Units)
    • Affordable Units by Zip Code/ Neighborhood
IZ-O Purpose and Process
The IZ-O is being created to make permanent the IPOD-6 with all the same regulations and standards.

Although at this point the IZ-O is only being mapped to the existing IPOD-6 boundaries within the Lawrenceville neighborhoods, creating the permanent overlay allows for its expansion into other neighborhoods at a later date.
Planning Commission Process

• Commissioners recommended to Council the IPOD be extended by six months to July 25, 2021
  • Council provided to resolution to grant the legally allowable single six (6) month extension to Inclusionary Housing Interim Planning Overlay District as per the Pittsburgh Code

• DCP presented to the Planning Commission on March 9th

• Pre-Planning Commission Hearing mailings to 4,555 recipients
  • Electronic correspondence of support submitted to Planning Commission
  • Calls were received and returned by Planner Corbett
    • 8 General Questions and Support

• For more information visit: https://pittsburghpa.gov/dcp/izod
What comes next

• City Council Hearing & Approval for IZ-O – May/June 2021
• ForgingPGH (being developed through Spring 2022)
  • City-wide Comprehensive Land Use Plan
  • Will look at future land use for housing (density, intensity, affordability)
  • Focused on areas and people most vulnerable to displacement
  • Housing Working Group as one of six topical working groups overseeing Plan
• Housing Needs Assessment (HNA) - being developed through 2021
  • HR&A and EHoldings working with City to update 2016 HNA
  • Updating information and analysis five years later
• Neighborhood Plans
  • Identified IZ as a zoning tool for their neighborhood, IZ-O can be applied
Inclusionary Zoning
Overlay District

Director Andrew Dash
Planner Christopher Corbett
Purpose & Standards

IZ is intended to promote the public health and welfare by increasing the supply of affordable housing for a range of family sizes and promoting economic integration within the District boundaries.

Specifically, the intent of the Inclusionary Housing is to encourage quality, economically-balanced development by:

*Leveraging development pressure by connecting the production of affordable housing with the current market production of housing units.*
What type of projects will need to provide affordable units?
• Every new construction, substantial rehabilitation, or conversion/reuse project with **20 or more residential units** for sale or for rent.

How many of the units will need to be priced affordably?
• **10% of units**, rounding up if a fraction.

Do the affordable units all need to be constructed on site?
• A developer can put affordable units on another site, if meet certain conditions:
  • **12% of the units** must be affordable
  • Located no more than **0.25 mile** from original site
Purpose & Intent

What income levels may participate?
• To rent, a household can't earn more than 50% AMI.
• To own, a household can't earn more than 80% AMI.

How will affordable units be priced?
• Units will be priced at no more than 30% of income (based on AMI)

How long will units remain affordably priced?
• Rental and for-sale units will remain affordable for a minimum of 35 years.
Will affordable units be different from market-rate units?

• No.
• Units will need to be integrated within and distributed throughout the building.
• Units will be the same size, have the same finishes, and have access to the same amenities.