Inclusionary Zoning Overlay District (IZ-O)

January 11, 2022
Planning Commission Hearing
2:00 PM

Director Andrew Dash
Planners Andrea Lavin Kossis & Phillip Wu
AGENDA

• Overview

• Inclusionary Zoning

• Inclusionary Zoning in Polish Hill & Bloomfield

• IZOD Purpose and Process
Affordable Housing Work To Date

• 2016
  Affordable Housing Task Force

• 2017
  Inclusionary Housing
  Exploratory Committee & report

• 2019
  IPOD-6, Pilot Inclusionary Housing
  Ordinance in Lawrenceville

• 2021
  IZOD, Permanent Inclusionary
  Housing Ordinance applied in
  Lawrenceville
IZOD Purpose

Per presentation to Planning Commission of April 6, 2021 (slide 17)

• "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."
What is Inclusionary Zoning?

**Inclusionary Zoning** (IZ) is an ordinance that promotes affordable housing by tying the construction of market-rate housing to that of affordable housing.

It requires or incentivizes 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

• Incentivized Inclusionary Zoning
  • Uptown Public Realm (UPR) - adopted December 2017
  • Riverfront Zoning District (RIV) - adopted July 2018

• Mandatory Inclusionary Zoning
  • IPOD-6 – EXPIRED piloted in Lawrenceville, 2019-2021, mandatory
    • Responsible for creation / eventual creation of 40 affordable units (35 rental, 5 for-sale)
  • IZOD – Permanent, created Feb 2021, currently in Lawrenceville
Inclusionary Zoning in Pittsburgh

• Proposed: Expansion of IZOD to Polish Hill & Bloomfield.

• Requested by Polish Hill Civic Association & Bloomfield Development Corporation.

• Introduced by Councilperson Gross at Council in July 2021.
IZOD Standards

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
IZOD Standards

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.
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<th>1 person</th>
<th>2 person</th>
<th>3 person</th>
<th>4 person</th>
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<tbody>
<tr>
<td><strong>50% AMI</strong></td>
<td>$29,700</td>
<td>$33,950</td>
<td>$38,200</td>
<td>$42,400</td>
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<tr>
<td><strong>80% AMI</strong></td>
<td>$47,520</td>
<td>$54,320</td>
<td>$61,120</td>
<td>$67,840</td>
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<tr>
<td><strong>RENTERS</strong></td>
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### Monthly Rental Unit Cost by Household AMI & Unit Size

#### 2021

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<tr>
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<th>Studio / Efficiency</th>
<th>1 Bedroom</th>
<th>2 Bedroom</th>
<th>3 Bedroom</th>
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<tr>
<td>50% AMI</td>
<td>$742</td>
<td>$795</td>
<td>$955</td>
<td>$1,102</td>
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• IZOD Expansion presented at City Council in July 2021.
  • Council referred measure to Planning Commission.

• Pre-Planning Commission Hearing:
  • 3 Community meetings (2 Polish Hill, 1 Bloomfield)
  • Mailings to 3,596 recipients & public postings in neighborhoods
    • Electronic correspondence shall be submitted to Planning Commission prior to Hearing
    • Calls shall be received and returned by Planner Phillip Wu
  • Shared Development Activities Meeting: Weds, Dec 8

For more information visit: https://engage.pittsburghpa.gov/izodx
BY THE NUMBERS

OFFICE & EMPLOYMENT
- 8,870 workers
- 2.4M SF of rentable office space
- 1.5M SF of office space in the pipeline
- Fringe Class A average asking rate: $28.24 per SF (1Q 2021, CBRE*)
- Fringe Class B average asking rate: $23.55 per SF (1Q 2021, CBRE*)

*The Pittsburgh Fringe office submarket captures several urban neighborhoods within the City of Pittsburgh including Lawrenceville, North Side, South Side, Station Square, Strip District, and Uptown.

RETAIL & HOSPITALITY
- 91% of restaurants and retailers are locally owned
- 2.8M annual visitors to the Penn Avenue Business District (pre-pandemic)
- 11 new businesses (2020-2021)
- 7 business closings (2020-2021)
- 427 hotel rooms
- 140 hotel rooms in the pipeline

HOUSING & POPULATION
- 1,920 residents
- 150% increase in residents since 2015
- 1,425 residential units
- 1,258 residential units in the pipeline
- Average rents:
  - Studio: $1,511
  - One-bedroom: $1,815
  - Two-bedroom: $2,481
- $484,900 median list price of a home

TRANSPORTATION
- 5 Port Authority bus routes carry 5 million people a year through the Strip District
- 1,080 public parking spaces
- 3,580 parking spaces in the pipeline
- $12.60 average daily parking rate
- $172 average monthly parking rate
- Walk Score: 74 most errands can be accomplished by foot
- Transit Score: 60 many convenient public transportation options
- Bike Score: 82 biking convenient for most trips