

Inclusionary Zoning in Polish Hill and Bloomfield

Department of City Planning

City Council Hearing

April 5, 2022



Overview

- Inclusionary Housing in Pittsburgh
- Inclusionary Housing for Polish Hill and Bloomfield
- Income and Housing Cost Calculations
- Recent Planning Activities

Inclusionary Housing in Pittsburgh

What is inclusionary zoning?

- A zoning tool tying the construction of affordable housing to the construction of market-rate housing
- Zoning regulations that require new residential development to make a percentage of housing units in the development affordable to low-to-moderate-income residents

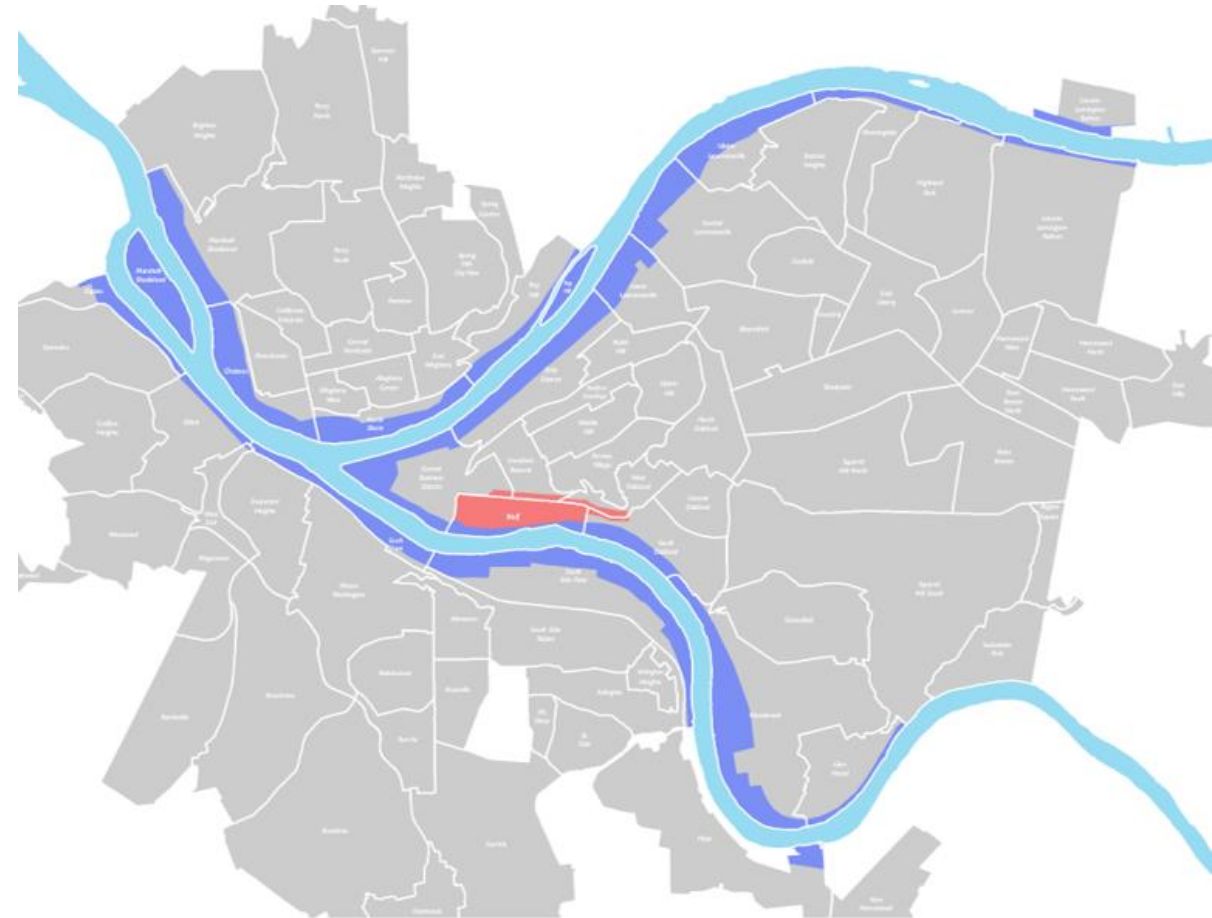
What kinds of inclusionary zoning do we have in Pittsburgh?

- Incentivized inclusionary zoning
- Mandatory inclusionary zoning

Inclusionary Housing in Pittsburgh

What is incentivized inclusionary zoning?

- Developer can choose to price units affordably in exchange for some benefit, such as increased height or density
- Currently found in Riverfront Zoning District (RIV = blue on map) and Uptown Public Realm District (UPR = red on map)



Inclusionary Housing in Pittsburgh

What is mandatory inclusionary zoning?

- Developer **MUST** build affordably priced units, but without an incentive like increased height or density.
- The City's Inclusionary Housing Overlay District (IZ-O) = mandatory.

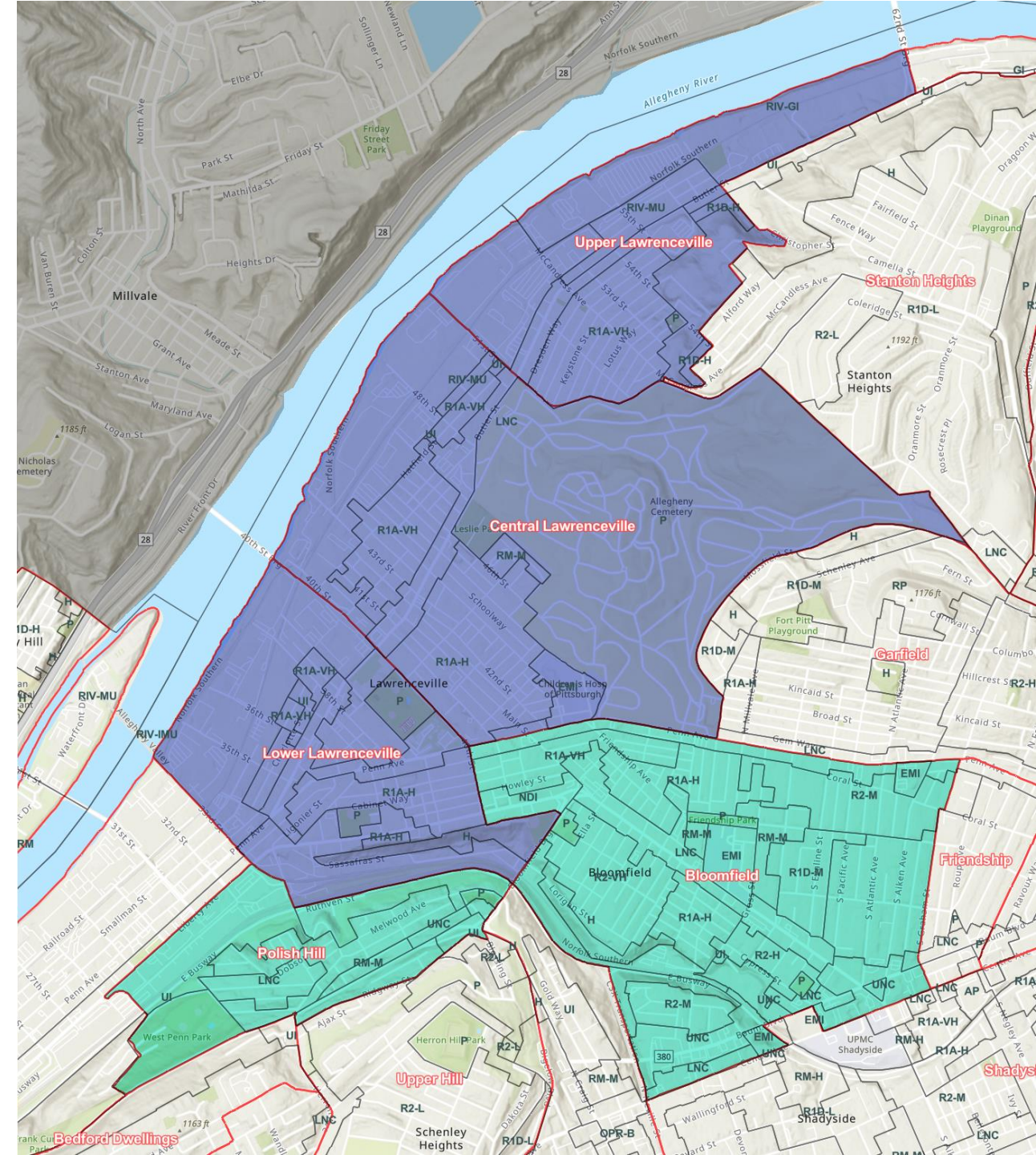
What is an overlay district?

- An overlay is placed on top of the existing zoning district and adds certain conditions on top of the existing zoning — in this case, the requirement of inclusionary housing.

Inclusionary Housing in Pittsburgh

About the IZ-O district:

- Currently applied in Lawrenceville; pending in Bloomfield and Polish Hill; suggested for Oakland.
- Since piloted in Lawrenceville, the IZ-O has influenced the pricing of 40 units available or under construction (35 rent, 5 for-sale).

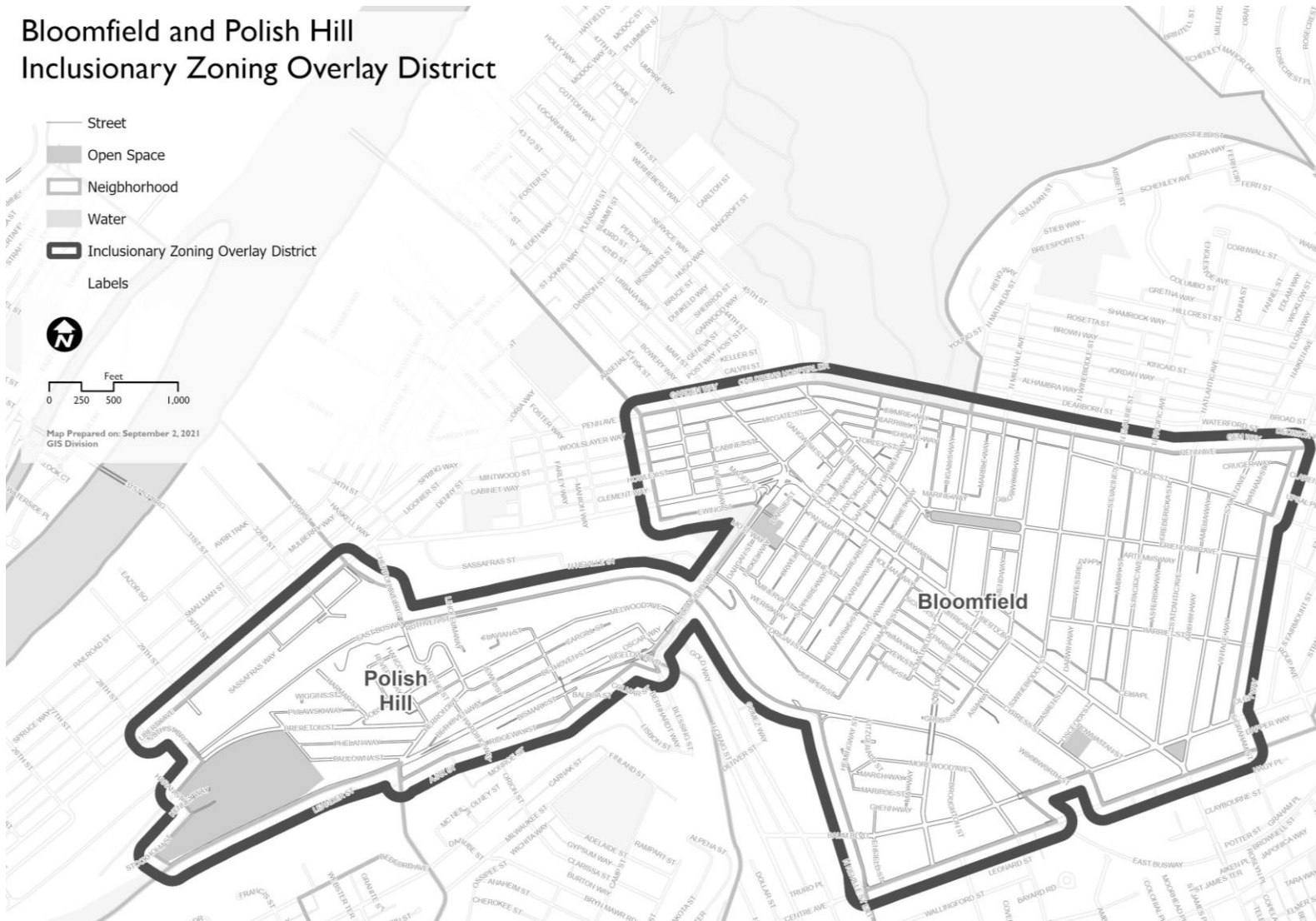


Inclusionary Housing in Pittsburgh

- 2016 – Affordable Housing Task Force
- 2017 – Inclusionary Housing Exploratory Committee and report
- 2019 – IPOD-6, Pilot Inclusionary Housing Ordinance in Lawrenceville
- 2021 – IZ-O, Permanent Inclusionary Housing Ordinance applied in Lawrenceville
- 2021 – Pending IZ-O expansion applied in Bloomfield and Polish Hill

Inclusionary Housing for Polish Hill and Bloomfield

- IZ-O expansion introduced by Councilperson Gross at City Council, July 2021.
- **Mandatory** – requires affordable units to be provided in projects (new construction, substantial rehabilitation, or conversion/reuse) with **20 or more residential units** for sale or for rent.



Inclusionary Housing for Polish Hill and Bloomfield

How many of units will need to be priced affordably?

- **10% of units**, rounding up if a fraction.

For example:

- 21 units constructed
- $21 \times 0.1 = 2.1$ (round up to 3)

3 of 21 units would need to be priced affordably.

Inclusionary Housing for Polish Hill and Bloomfield

What income levels may live in affordable units as renters/owners?

- To rent, a household can't earn more than 50% of Area Median Income.
- To own, a household can't earn more than 80% of AMI.

Area Median Income (AMI)

What does Area Median Income (AMI) mean?

- The middle of an area's income distribution. Half the households in the area earn more than the median, and half earn less than the median.
- An area's AMI is calculated every year by the U.S. Department of Housing and Urban Development (HUD).
- "Area" in this case means the Pittsburgh Metropolitan Statistical Area (MSA), which includes Allegheny, Armstrong, Beaver, Butler, Fayette, Washington, and Westmoreland counties.

Pittsburgh MSA Area Median Income Levels

Pittsburgh AMI for 2021 (2022 numbers still pending)

	1 person	2 person	3 person	4 person
30% AMI	\$17,820	\$20,370	\$22,920	\$25,440
50% AMI	\$29,700	\$33,950	\$38,200	\$42,400
80% AMI	\$47,520	\$54,320	\$61,120	\$67,840



RENTERS



OWNERS

Inclusionary Housing for Polish Hill and Bloomfield

How will inclusionary units be priced?

- Units will be priced at no more than 30% of income (based on AMI numbers)

For example:

- A three-person household in a two-bedroom unit
- $\$38,200 / 12 \text{ months} = \$3,183$
- $\$3,183 \times 0.3 = \$955 \text{ rent per month}$

Monthly Rental Unit Cost by AMI and Household Size (2021)

Monthly Housing Cost by AMI and Household Size (incl. utilities)				
	Studio / Eff	1 BR	2 BR	3 BR
30% AMI	\$445	\$477	\$573	\$661
50% AMI	\$742	\$795	\$955	\$1,102
80% AMI	\$1,188	\$1,273	\$1,528	\$1,764

Inclusionary Housing for Polish Hill and Bloomfield

How long will units remain affordably priced?

- Rental and for-sale units will both remain affordable for a **minimum of 35 years.**
- AMI levels will change every year, but the percentages for income requirements and housing cost requirements will stay the same.

Inclusionary Housing for Polish Hill and Bloomfield

Will affordable units be different from market-rate units?

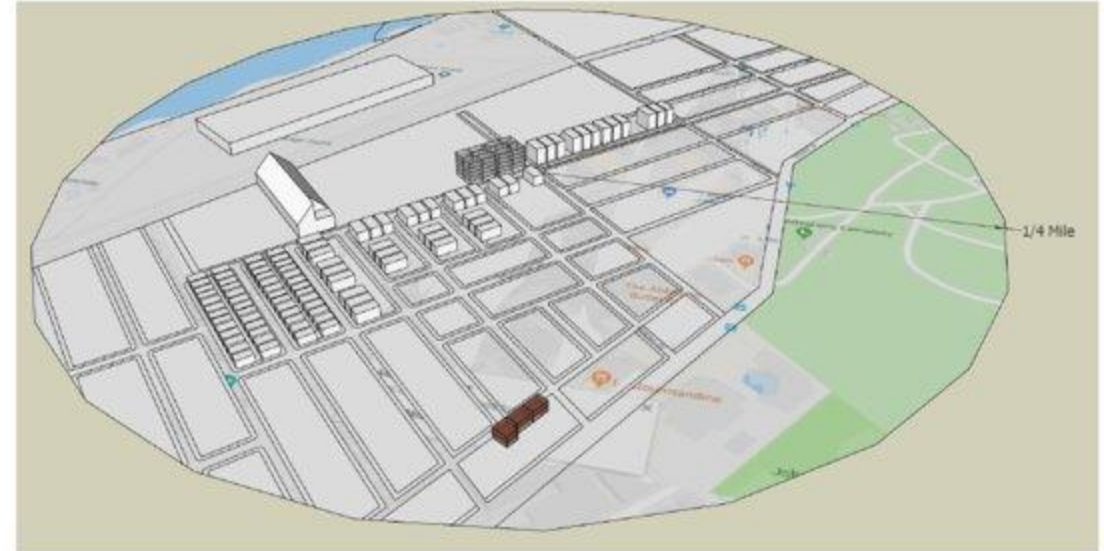
- No, they will need to be the same size, have the same finishes, and have access to the same amenities.
- Units will also need to be scattered throughout the building and not clustered in one area.

Inclusionary Housing for Polish Hill and Bloomfield

Do the affordable units all need to be constructed on site?

- A developer can provide affordable units on another site as a Special Exception if on-site units are not determined to be feasible, provided they meet certain conditions:
 - **12% of the units** must be affordable (rather than the base 10%)
 - Units must be located no more than **0.25 mile** from original site

Inclusionary Zoning Examples



Off-site Units

- 40 Unit Apartment Building with market rate units
- 6 Affordable units within a quarter mile radius from project site corresponding to 12%



Recent Planning Activities

Planning Commission voted on January 11, 2022 to recommend approval to Council, after extensive community engagement process culminating in a Development Activities Meeting (DAM) on December 8

Mailing of postcards to more than 3,600 households:

- Owners of properties within Polish Hill and Bloomfield, and
- Owners of properties within 150 feet of neighborhood boundaries.

Posting of notices along neighborhood boundaries and major streets (40 in Bloomfield and 10 in Polish Hill)

More Information

Engage PGH project page:

<https://engage.pittsburghpa.gov/izodx>

Contact City Planning at:

housing@pittsburghpa.gov

Thank You!