



Legislation Details (With Text)

**File #:** 2018-0387      **Version:** 1

**Type:** Resolution      **Status:** Passed Finally

**File created:** 4/16/2018      **In control:** Committee on Intergovernmental Affairs

**On agenda:** 4/17/2018      **Final action:** 5/1/2018

**Enactment date:** 5/1/2018      **Enactment #:** 312

**Effective date:** 5/8/2018

**Title:** Resolution directing the Department of Finance and the Urban Redevelopment Authority to create a pilot program that identifies Publicly-Owned properties in the Hazelwood neighborhood for which Deed Restrictions shall be made and used to preserve Affordable Housing.

**Sponsors:** Corey O'Connor

**Indexes:** MISCELLANEOUS

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
5/8/2018	1	Mayor	Signed by the Mayor	
5/1/2018	1	City Council	Passed Finally	Pass
4/25/2018	1	Standing Committee	Affirmatively Recommended	Pass
4/17/2018	1	City Council	Read and referred	

Resolution directing the Department of Finance and the Urban Redevelopment Authority to create a pilot program that identifies Publicly-Owned properties in the Hazelwood neighborhood for which Deed Restrictions shall be made and used to preserve Affordable Housing.

**The Council of the City of Pittsburgh hereby resolves:**

**Section 1. PURPOSE**

**A.** This Resolution directs the Department of Finance and the Urban Redevelopment Authority to utilize properties owned by each in a pilot program in the Hazelwood neighborhood of Pittsburgh that shall use Deed Restrictions to preserve Affordable Housing.

**1.** All appropriate steps necessary for the execution of the program described herein shall be taken by the aforementioned parties in a timely manner and in good faith.

**B.** This program, capitalizing on pre-existing public assets by securing their future use as sources of Affordable Housing, shall make use of appropriate and relevant metrics within Deed Restrictions to bound the future use and development of these properties to maintain, for specific periods of time, continued affordability.

**Section 2. DEFINITIONS**

**A. Affordable Housing:** Housing wherein housing-related expenses do not exceed 30 percent of a household's gross income, used in conjunction for the purpose of this Resolution and program with an income target of 80 percent of area median income.

**B. Area Median Income (AMI):** The median household income for the Pittsburgh metropolitan area published annually by the U.S. Department of Housing and Urban Development.

**C. Deed:** The legal documents or instruments by which a Grantor conveys all right, title, and interest in real property to a Grantee.

**D. Deed Restriction:** Regulations governing the use of Publicly-Owned properties as Affordable Housing for a period of time pursuant to a restrictive covenant or similar enforceable, recorded instrument, as determined, written, and promulgated by the Department of Finance of the City of Pittsburgh and / or the Urban Redevelopment Authority of Pittsburgh through this program, with income targets that are no higher than 80 percent of AMI.

**E. Department:** The Department of Finance of the City of Pittsburgh, acting on behalf of the City of Pittsburgh.

**F. Director:** The Director of the Department of Finance of the City of Pittsburgh.

**G. Event of Default:** A covenant, as specified as part of a sales agreement through this program, upon the occurrence of which a Purchaser shall be considered to be in default, and in response to which the Department of Finance and / or the Urban Redevelopment Authority of Pittsburgh may exercise remedies, including, but not limited to, automatic reversion of the real property back to the Grantor.

**H. Grantee:** Refers to the Purchaser, as used and where relevant in this Resolution.

**I. Grantor:** Refers to the Department of Finance and / or the Urban Redevelopment Authority of Pittsburgh, as used and where relevant in this Resolution.

**J. Hazelwood:** The neighborhood as defined by the Department of City Planning as being bounded by the Monongahela River, Hot Metal Street, Second Avenue, Greenfield Avenue, Sylvan Avenue, Waldeck Street, Bigelow Street, Hazelwood Avenue, Browns Hill Road, Imogene Road, Desdemona Avenue, Johnston Avenue and the Glen Hazel neighborhood boundary, Bolten Street, Nordica Street, Glen Hazel Neighborhood Boundary, Johnston Avenue, Burgwin Playground, Alluvian Street, the Second Avenue Ramp, and the Glen Hazel neighborhood boundary.

**K. Inventory:** A review the status and condition of Publicly-Owned properties within the boundaries of the Hazelwood neighborhood described in this Resolution.

**L. Publicly-Owned:** Refers to real property owned by either the City of Pittsburgh of the Urban Redevelopment Authority.

**M. Purchaser:** Refers to a buyer, including their principals and / or responsible agents, of real property participating in this program.

**N. Real Property:** Refers to land and all structures and fixtures thereon and all estates and interests in that land, including easements, covenants, and leaseholders.

**O. URA:** The Urban Redevelopment Authority of Pittsburgh.

### **Section 3. INVENTORY**

**A.** The URA shall conduct the Inventory of the status and condition all Publicly-Owned properties within the boundaries of the Hazelwood neighborhood, as defined in Section 2(F), for use in this program. The results of the Inventory shall be shared with the Department.

**B.** Based on the results of the Inventory, the Director shall determine at least 15 but no more than 20 Publicly-Owned properties for use in this program.

### **Section 4. DEED RESTRICTION**

**A.** The Department and the URA shall produce Deed Restrictions for the Publicly-Owned properties sold through this program that meet the stated goals of this Resolution as they relate to Affordable Housing.

**B.** In these sales, the Purchaser shall be considered the Grantee, and the Department and / or the URA shall be considered the Grantor.

**C.** Any sale made through this program, the Grantee shall agree to the following fee simple determinable conditions, which if breached will result in an Event of Default, in response to which the Grantor may exercise remedies, including, but not limited to, automatic reversion of the real property back to the Grantor.

**1.** The Grantor grants, bargains, sells, and conveys all right, title, and interest in the real property described therein, so long as, in the event that said real property is rented or leased, then:

**a.** The real property is only rented or leased as Affordable Housing, as defined in this Resolution, to a qualified party whose household income does not exceed 80 percent of AMI; and

**b.** The real property rental or lease rate and housing-related expenses do not exceed 30 percent of such a household's gross income.

**D.** In addition to AMI-based income targets, these Deed Restrictions may take into consideration additional factors such as, but not limited to: Inventory results, location, size, and vacancy.

**1.** The use of said additional factors in determining Deed Restrictions shall be made at the discretion of the Director and the URA.

### **Section 5. EVALUATION**

**A.** Upon restricting the Deeds for at least 15 but no more than 20 Publicly-Owned properties, the Director will evaluate the appropriateness of the pilot program, and, based on such evaluation, make a written recommendation to City Council to end the pilot program, increase the number of properties included in this pilot program, or expand the pilot program to other neighborhoods.

## **Section 6. REMEDIES UPON EVENT OF DEFAULT**

**A.** Upon the occurrence of an Event of Default, then the Purchaser shall be in default hereunder and the Department and / or the URA may exercise the remedy of automatic reversion of the fee simple determinable title.

## **Section 7. ALTERNATIVE AND / OR ADDITIONAL REMEDIES UPON EVENT OF DEFAULT**

**A.** Upon the occurrence of an Event of Default, then the Purchaser shall be in default hereunder and the Department and / or the URA may exercise one or more of the following alternative remedies in addition to and / or in lieu of automatic reversion of the fee simple determinable title, per Section 6(A):

- 1.** Institute such proceedings as may be necessary or desirable in its opinion to cure or remedy such default, including but not limited to, proceedings to compel specific performance by the Purchaser;
- 2.** Declare Purchaser ineligible for conducting new business with the City of Pittsburgh, the Department, or the URA during the ongoing Event of Default;
- 3.** Retain, as liquidated damages to compensate the Department and / or the URA for expenses incurred related to the Event of Default, an amount agreed upon at the time of the sale from the deposit on the first day of each month that the Event of Default persists;
- 4.** Recover from Purchaser all costs and attorneys' fees incurred by the Department and / or the URA.

**B.** In no event shall the rights of the Department and / or the URA to the remedy of automatic reversion of the fee simple determinable title and subsequent possessory rights be diminished by this Section.

**C.** The rights and remedies exercisable herein may be exercised cumulatively and successively and no delay or failure of the Department and / or the URA in the exercise of any right or remedy hereunder shall affect any such right and / or remedy, nor shall any single or partial exercise thereof preclude any further exercise thereof, and no action taken or omitted by the Department and / or the URA shall be deemed to be a waiver of any such right or remedy.

## **Section 8. RULES AND REGULATIONS**

**A.** The Director shall, at their discretion, promulgate and make available rules and regulations that further explicate this program, its scope, and supporting material(s), as necessary.

**B.** The Department and the URA shall maintain on file all relevant documents, contracts, instruments, and associated records related to this program.

## **Section 9. EFFECTIVE DATE**

**A.** This Resolution shall take effect upon signature by the Mayor, or, if the Mayor does not sign the Resolution, it shall take effect eleven (11) days after its enactment by City Council.

