



Text File

Introduced: 5/5/2017

Bill No: 2017-1508, **Version:** 1

Committee: Committee on Finance and Law

Status: Died due to expiration of legislative council session

Resolution requesting that the Mayor of the City of Pittsburgh, the Directors of the Office of Management and Budget and the Department of Finance, and the Executive Director of the Urban Redevelopment Authority to investigate the use of \$2,000,000.00 of Capital Project Funds and / or other funds for the purposes of divestment in publicly-owned property.

(Post Agenda Held, June 28, 2017)

WHEREAS, per the City of Pittsburgh's Housing Needs Assessment, although homes in the City of Pittsburgh are appreciating in value, most are still worth less than \$100,000, with the cost of rehabilitation / repairs of older housing stock many times exceeding the value of the unit itself. As such, this may lead to a shortage of quality, well-maintained affordable units; and

WHEREAS, any attempt to address a shortage of affordable housing must include the preservation of existing housing stock, capitalizing on existing housing assets. These preservation efforts must be focused on the rehabilitation of housing stock that can be returned to the market and restricted to families / households in restricted income targets; and

WHEREAS, preservation of existing housing can often be more cost-effective and efficient than the construction of new units; and

WHEREAS, there are thousands of publicly-owned properties currently held by the City of Pittsburgh and the Urban Redevelopment Authority. However, a very large share of these properties aren't currently fit to be introduced to the market or inhabited. By strategically targeting these properties for rehabilitation and subsequent sale, the City of Pittsburgh and the Urban Redevelopment Authority can engage in a robust divestment of publicly-owned properties; and

WHEREAS, through this divestment, the City of Pittsburgh can achieve dual goals of adding numerous safe, quality, and affordable units to the housing market that are restricted to designated income targets, and growing its base of tax revenue; and

WHEREAS, the City of Pittsburgh could possibly earmark any revenue derived from the divestment of these properties for the Housing Opportunity Fund, created for the purpose of supporting the development and

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preservation of affordable and accessible housing in the City, per the Pittsburgh Code of Ordinances, Title Two: Fiscal, Article V: Special Funds, Chapter 234: Housing Opportunity Fund; and

WHEREAS, if necessary, the City of Pittsburgh can enter into an intergovernmental cooperation agreement with the Urban Redevelopment Authority for the purposes of this divestment effort and to further these goals.

The Council of the City of Pittsburgh hereby resolves:

Section 1. PURPOSE

A. Resolution requesting that the Mayor of the City of Pittsburgh, the Directors of the Office of Management and Budget and the Department of Finance, and the Executive Director of the Urban Redevelopment Authority to investigate the use of \$2,000,000.00 of Capital Project Funds and / or other funds for the purposes of divestment in publicly-owned property.

Section 2. DEFINITIONS

A. **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.

B. **City:** The City of Pittsburgh.

C. **Department of Finance:** The City's Department of Finance, and the Real Estate Division therein.

D. **Eligible Purchaser:** A purchaser approved by the Department of Finance that:

1. Has a household gross income of 50 percent of AMI; and
2. Has covenanted to live in and occupy the structure for a period of time agreed upon by the Eligible Purchaser and the Department of Finance.

E. **DIVESTMENT:** The process through which the City shall oversee the rehabilitation and sale of publicly-owned properties.

F. **Inventory:** A review of the status and condition of publicly-owned properties.

G. **OMB:** The City's Office of Management of Budget.

H. **Publicly-Owned:** Refers to properties owned by either the City or the Urban Redevelopment Authority (URA).

I. **Request for Proposal (RFP):** An announcement by the City of a willingness to consider proposals for the performance of this program. The RFP should contain all relevant criteria the City will consider when evaluating proposals for award. The RFP shall be used to determine a responsible agent to oversee the rehabilitation of publicly-owned property.

J. **URA:** The Urban Redevelopment Authority.

Section 3. INVENTORY

A. Both the Department of Finance and the URA shall conduct an inventory of all publicly-owned properties within the boundaries of the City.

B. Based on the results of this inventory, the Department of Finance and the URA shall jointly determine properties for divestment.

C. In conducting the inventory and determining eligibility for divestment, the Department of Finance and URA shall take into consideration pertinent community or neighborhood strategic plans.

1. The Department of Finance and the URA shall work with the Department of City Planning to identify pre-existing plans that, as part of pertinent community or neighborhood strategic plans, call for the holding or re-use of publicly-owned property prior to deeming that publicly-owned property fit for divestment.

Section 4. RFP

A. The City shall produce and promulgate appropriate RFPs seeking responsible agents to manage the rehabilitation of properties selected for divestment through the inventory.

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B. Expenses related to the rehabilitation of properties selected for divestment shall be financed through Capital Project Funds.

Section 5. SALE

A. The Department of Finance and the URA shall restrict sales of these properties to eligible purchasers.

Section 6. THREE TAXING BODIES

A. The Department of Finance, on behalf of the City, shall invite Allegheny County and the City school district to participate in similar programs, or to create a uniform program across the Three Taxing Bodies.

Section 7. PROPOSED PLAN

A. The Directors of the Department of Finance and OMB shall report back to City Council on or before August 1, 2017, with a detailed implementation plan for the divestment described in this Resolution and its funding.