



Text File

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Bill No: 2021-2135, **Version:** 1

Committee: Committee on Hearings

Status: Died due to expiration of legislative council session

Resolution establishing the Greater Pittsburgh Affordable Housing Trust (“GPAHT”) Implementation Committee.

(Held for Post Agenda)

Whereas, much of the City’s housing stock is older and in need of repair, and many existing and prospective homeowners lack the resources to make necessary repairs. Repairing the existing housing stock helps to stabilize neighborhoods by maintaining property values in the surrounding neighborhood, reducing the incidence of vacancy and blight, and decreasing the need for City-funded demolition; and,

Whereas, much of the City’s housing stock is not energy efficient, and many property owners lack the resources to make energy efficiency improvements. Improving energy efficiency can help reduce utility costs and provide relief for families with severe housing cost burden. It can also help reduce the City’s carbon footprint; and,

Whereas, many Pittsburgh neighborhoods have very low rates of homeownership and high rates of absentee-owned properties. Increasing resident ownership of housing gives people more of a stake in the upkeep of their communities and helps to stabilize neighborhoods; and,

Whereas, the City is experiencing a shortage of decent, safe and sanitary housing that is affordable to extremely low-income families and individuals. The shortage of housing that is affordable to extremely low income families forces them to pay more for housing than they can afford, which reduces the supply of housing that would otherwise be available for families and individuals at other income levels and creates a ripple effect of unaffordability; and,

Whereas, over 23,000 Pittsburgh households are paying more than half of their household income on housing costs. This severe cost burden can make these households vulnerable to eviction, foreclosure, utility termination, and other hardships; and,

Whereas, many very-low income and extremely low-income families and individuals in Pittsburgh need better access to opportunity resources - such as public transportation, jobs, safe neighborhoods, high-quality schools, child care and grocery stores - that can help to improve their and their children’s health, safety and economic self-sufficiency; and,

Whereas, the City is also experiencing a shortage of decent, safe and sanitary housing that is accessible to people with mobility impairments and other disabilities; and,

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Whereas, at any given time, there is an average of more than 2000 homeless households on a waiting list for housing and homeless services in Pittsburgh and Allegheny County; and,

Whereas, existing affordable housing resources provide relatively short periods of affordability. This can cause the City to invest its limited resources into preserving the existing affordable housing stock instead of expanding the supply. Financing mission-driven developers and prioritizing permanent affordability will help maximize the effectiveness of the City’s housing resources; and,

Whereas, the City and its authorities have experienced steady decreases in funding from federal and state resources for investment in neighborhood development and affordable housing projects; and,

Whereas, establishing a Greater Pittsburgh Affordable Housing Trust (“GPAHT”) will provide needed resources to help stabilize and improve Pittsburgh’s neighborhoods, to support the development and preservation of affordable and accessible housing in areas with good access to public transit, jobs, good schools, child care, grocery stores and other amenities that individuals and families need to improve their and their children’s health, safety and economic self-sufficiency, and to address other critical housing needs.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PITTSBURGH AS FOLLOWS:

Section 1. The Council of the City of Pittsburgh does hereby establish the Greater Pittsburgh Affordable Housing Trust Implementation Committee.

Section 2. The Greater Pittsburgh Affordable Trust Implementation Committee will explore the benefits and process of creating a Greater Pittsburgh Affordable Housing Trust.

Section 3. The Greater Pittsburgh Affordable Trust Implementation Committee will facilitate both private and public meetings to investigate the creation of the new City/County Trust.

Section 4. The Greater Affordable Housing Trust Implementation Committee will submit quarterly reports to City Council detailing their progress and findings.

Section 5. The Greater Affordable Housing Trust Implementation Committee shall be composed of at least seven (7) persons, residents of the City as follows:

- a) Mayor of the City of Pittsburgh, or their designee;
- b) Two (2) members of Pittsburgh City Council, whose districts contain a predominant number of racial minorities;
- c) Two (2) members of Allegheny County Council whose district contains a significant number of City residents who are racial minorities;
- d) Allegheny County Executive, or their designee;

- e) Executive Director of the Urban Redevelopment Authority of Pittsburgh

Section 6. City Council's Diversity, Equity, and Inclusion Policy Analyst will serve as a staff for the Greater Pittsburgh Affordable Housing Trust.

Section 7. The Greater Pittsburgh Affordable Trust would be a nonprofit public-private financial institution, providing targeted loans to development increasing the creation of Affordable Housing in the city of Pittsburgh and Allegheny County.

Section 8. The Greater Pittsburgh Affordable Housing Trust Fund (GPAHT) will be evaluated based upon the following principles:

A. LENDING GOALS: GPAHT will provide loans <http://hztrust.org/wp-content/uploads/Loans.pdf> for affordable multifamily rental developments by leveraging other sources of private and public lending and investment. Eligible uses for AHT loan proceeds include new construction, acquisition, rehabilitation and permanent financing that are otherwise unavailable through the traditional lending market. While loans <http://hztrust.org/wp-content/uploads/Loans.pdf> originated by GPAHT must meet robust underwriting standards, financing will be structured in accordance with the needs of the project and in consideration of the income level of households to be served. Oftentimes, the utilization of financing through GPAHT can help raise market values, stimulate private development and contribute to neighborhood revitalization.

B. LENDING APPROACH: The Greater Pittsburgh Affordable Housing Trust facilitates participation by investment through not-for-profit and for-profit developers, thus leveraging its own funding dollars into projects. Resources are directed to builders and developers, rather than individual households helped by other social service organizations.

C. GPAHT MISSION IS TO FACILITATE AND INVEST IN DEVELOPMENTS DESIGNED TO:

1. Create and preserve affordable homeownership and rental housing.
2. Strengthen and stabilize neighborhoods.

3. Support working households, seniors and special needs populations.

D. GPAHT ACTIONS INCLUDE:

1. Collaborating with partners and other interested parties to invest more public and private dollars in affordable housing.
2. Investing in projects that intentionally advance both housing equity and economic equity. GPAHT will continue to invest in affordable housing and housing with enhanced services, without creating concentrations of poverty. GPAHT will begin to ask borrowers about their hiring and promotion practices, demographics of leadership, and pay of employees.
3. Prioritizing our spending for goods and services with MBEs (Minority Business Enterprises) and ask our borrowers to do the same.
4. Working to educate and increase awareness around social inequities in general and lending specifically.
5. Working with our city and county partners on tax abatements. They must be better targeted to affordable housing and be targeted in economically depressed neighborhoods.
6. Working with all interested parties to ensure that new residential developments provide increased proportion of affordable housing.
7. Working with community partners to dismantle the systemic racism that permeates housing.

E. GPAHT INVESTMENT FUND GOALS

- | | |
|-------------------------|----------------------------|
| 1. City of Pittsburgh | \$50,000,000-\$125,000,000 |
| 2. Allegheny County | \$50,000,000-\$125,000,000 |
| 3. For-Profit companies | \$50,000,000-\$125,000,000 |

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4. Non-Profit Corporations \$50,000,000-\$125,000,000

Total **\$200,000,000-\$500,000,000**