Legislation Details (With Text)

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Type:	Ordinance	**Status:**	Passed Finally
File created:	2/18/2019	**In control:**	Committee on Land Use and Economic Development
On agenda:	2/19/2019	**Final action:**	7/24/2019
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Effective date:	7/25/2019		

Title: Ordinance amending the Pittsburgh Code, Title Nine, Zoning, Article I, Section 902.03 Zoning Map, and Article III, Overlay Zoning Districts, Chapter 907, Development Overlay Districts, Section 907.02, IPOD, Interim Planning Overlay District, by adding a new section 907.02.K to establish a new Interim Planning Overlay District for the Inclusionary Housing Interim Planning Overlay District.

Sponsors: Deborah L. Gross

Indexes: PGH. CODE ORDINANCES TITLE 09 - ZONING

Code sections:

Attachments: 1. 2019-1415 IPOD-6 Council Bill Cover Letter, 2. 2019-1415 PC Minutes 4-23-19 final, 3. 2019-1415 PC Report - IPOD-6 IZ, 4. 2019-1415 City Council Hearing Presentation 0716

Date	Ver.	Action By	Action	Result
7/25/2019	2	Mayor	Signed by the Mayor	
7/24/2019	2	City Council	Passed Finally, As Amended	Pass
7/24/2019	2	City Council	AMENDED BY SUBSTITUTE	Pass
7/17/2019	1	Standing Committees	Affirmatively Recommended	Pass
7/16/2019	1	Committee on Hearings	Public Hearing Held	
6/12/2019	1	Standing Committees	Held for Cablecast Public Hearing	Pass
2/27/2019	1	Standing Committees	Referred for Report and Recommendation	Pass
2/19/2019	1	City Council	Read and referred	

Ordinance amending the Pittsburgh Code, Title Nine, Zoning, Article I, Section 902.03 Zoning Map, and Article III, Overlay Zoning Districts, Chapter 907, Development Overlay Districts, Section 907.02, IPOD, Interim Planning Overlay District, by adding a new section 907.02.K to establish a new Interim Planning Overlay District for the Inclusionary Housing Interim Planning Overlay District.

The Council of the City of Pittsburgh hereby enacts as follows:

Section 1.

Amending the Pittsburgh Code, Title Nine, Zoning, Article I, Section 902.03 Zoning Map, by creating an Interim Planning Overlay District overlaying certain parcels as identified in the Allegheny County Lot and Block System, as provided in the map attached herein.

Section 2.

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Amend Article III, Chapter 907.02.K - IPOD-6, Inclusionary Housing Interim Planning Overlay District, to read as follows:

907.02.K IPOD-6, Inclusionary Housing Overlay District

907.02.K.1 General Boundaries

The Inclusionary Housing Interim Planning Overlay District (IPOD-6) is generally defined by properties located in the Lower, Central, and Upper Lawrenceville neighborhoods. Specific boundaries of the district are mapped a supplement to this Section and as an amendment to the City's Zoning District Map, in accordance with Section 902.03.

907.02.K.2 Need for Interim Zoning

The Inclusionary Housing Interim Planning Overlay District is necessary to increase the production of affordable housing to meet existing and anticipated housing and employment needs and to provide a diverse range of housing choices within the District boundaries. The updated zoning will provide adequate balances by ensuring that the neighborhoods can continue to offer new housing units at a variety of price points. This need was set forth by the recommendations set forth by the City’s Inclusionary Housing and Incentive Zoning Exploratory Committee in 2017.

907.02.K.3 Purpose and Intent

The intent of the Inclusionary Housing Interim Planning Overlay District is to promote the public health and welfare by increasing the supply of affordable housing for a range of family sizes and promoting economic integration within the District boundaries. Due to the unique circumstances involved with development within this area, the existing zoning mechanisms do not serve to carry out the purpose and intent of Chapter 901 (General Provisions) and all provisions of this Zoning Ordinance. Specifically, the intent of the Inclusionary Housing IPOD is to encourage quality, economically-balanced development by:

(a) Leveraging development pressure by connecting the production of affordable housing with the current market production of housing units;

(b) Encouraging diverse and balanced housing available for households of all income levels and ensuring that when developing the limited supply of developable land, housing opportunities for persons of variety of income levels are provided; and

(c) Utilizing sites in IPOD-6 as opportunities to build mixed income developments. Because remaining land appropriate for residential development within in the IPOD-6 is limited, it is essential that a reasonable proportion of such land be developed into housing units affordable to low and moderate-income people.

907.02.K.4 Definitions

- **Administrative Agent** - With respect to Inclusionary Rental Housing, the Housing Authority of the City of Pittsburgh or such other qualified entity, as determined by the Director of City Planning,

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that enters into an agreement with the City to monitor and enforce compliance with the requirements of this Section and its regulations. With respect to Inclusionary Owner-Occupied Housing, the Urban Redevelopment Authority of the City of Pittsburgh or such other qualified entity, as determined by the Director of City Planning, that enters into an agreement with the City to monitor and enforce compliance with the requirements of this Section and its regulations

- **Affordable Housing Provider** - The Housing Authority of the City of Pittsburgh and such other approved owner/manager of affordable housing, as approved by the Director of City Planning, that enters into an agreement with the City to lease Inclusionary Rental Units exclusively to Eligible Households in compliance with this Section and its regulations.

- **Affordability Term** - A minimum of 35 years from the date of initial occupancy of an Inclusionary Unit.

- **Allowable Pricing** - With respect to *Inclusionary Rental Units*, the monthly rent paid by the Eligible Household, plus all mandatory or essential fees and charges and an approved Utility Allowance, shall not exceed 30% of the monthly income of a household earning 50% of AMI with a household size one-and-a-half (1.5) times the bedroom count of the Dwelling Unit. Only tenant-paid costs are subject to the Allowable Pricing. If a rental subsidy is provided, the total of all monthly rent, fees, charges and approved Utility Allowance may exceed the Allowable Pricing so long as the portion paid by the household does not. With respect to *Inclusionary Owner-Occupied Units*, the initial sale price shall be set a level that ensures that a household earning 70% of AMI for a household size one-and-a-half (1.5) times the bedroom count of the Dwelling Unit will spend no more than 28% of gross monthly income on their mortgage payment (principal and interest); taxes and insurance; and all mandatory or essential fees and charges (including condo/HOA dues), assuming a five percent (5%) down payment and a 30-year fixed rate mortgage at the then current mortgage rate (determined as the National Average Contract Mortgage rate by the Federal Housing Finance Agency).

- **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 ("HUD").

- **Community Land Trust** - A non-profit entity whose primary mission to create or preserve permanently affordable housing, and approved by the Director of City Planning, and that enters into an agreement with the City to convey Inclusionary Owner-Occupied Units exclusively to Eligible Households for owner occupancy subject to a ground lease that requires compliance with this Section and implementing regulations.

- **Development Project** - One or more Developments (as defined in Title IX, Ch. 926.67) that are located in whole or in part within IPOD-6 that meet the Applicability Requirements of Section 907.02.K.5.

- **Eligible Household** - With respect to Inclusionary Rental Units, a household that earns no more than 50% of AMI. With respect to Inclusionary Owner-Occupied Units, a household that earns no

more than 80% of AMI.

- **Family-Sized Units** - Dwelling units that contain a minimum of two (2) bedrooms.
- **Inclusionary Owner-Occupied Unit** - An Inclusionary Unit that is both owned and occupied by one or more persons as a primary residence. The term does not include a unit that is occupied pursuant to a lease-purchase agreement or contract of sale.
- **Inclusionary Rental Unit** - An Inclusionary Unit other than an inclusionary Owner-Occupied Unit.
- **Inclusionary Unit** - A Dwelling Unit that satisfies the Inclusionary Standards set forth in 907.02.K.6 or 907.02.K.7.
- **Market-Rate Unit** - A Dwelling Unit in a Development Project that does not satisfy the Inclusionary Standards set forth in 907.02.K.6 or 907.02.K.7.
- **Networked Walkshed** - The land area within a defined walking range, traversable on established streets or pathways.
- **Off-Site Units** - Inclusionary Units constructed within one-quarter (1/4) mile of the subject site, but not on a parcel adjacent to the subject site.
- **Substantial Improvement** - Means any reconstruction, rehabilitation, addition, or other improvement of a structure, of which the cost equals or exceeds one hundred (100) percent of the market value of the structure before the "start of construction" of the improvement, that occurs within a five (5) year period. This term includes structures which have incurred "substantial damage" regardless of the actual repair worked performed. The term does not, however include any project for improvement of a structure to correct existing violations of state or local health, sanitary, or safety code specifications which have been identified by the local code enforcement official and which are the minimum necessary to assure safe living conditions.
- **Utility Allowance** - An allowance for tenant-paid utilities, updated annually and approved by the Director of City Planning or their designee. The term shall include the applicable utility allowance published annually by the Housing Authority of the City of Pittsburgh or a utility allowance prepared by the Owner using methodology approved by the Pennsylvania Housing Finance Agency. In either case, the Utility Allowance must be appropriate for the size and type of dwelling unit and the kind of heat and appliances used, and must be approved by the Administrative Agent.

907.02.K.5 Applicability

In the Inclusionary Housing IPOD-6, all applications for the following shall be subject to the standards of this Section:

(a) New construction or Substantial Improvement, of one or more buildings that collectively contain 20 or

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more dwelling units either (i) on one (1) or more zoning lots marketed as a single or unified project, (ii) sharing common elements or common financing, or (iii) comprising a part of a planned development.

(b) New construction or Substantial Improvement of one or more buildings that collectively contain 20 or more sleeping rooms either: (i) within a Multi-Suite Residential use, (ii) one (1) or more zoning lots marketed as a single or unified project, (iii) sharing common elements or common financing, or (iv) comprising a part of a planned development.

(c) New construction or Substantial Improvement of one (1) or more buildings that collectively contain any combination of 20 or more dwelling units and sleeping rooms either: (i) within a Multi-Suite Residential use, (ii) on one (1) or more zoning lots marketed as a single or unified project, (iii) sharing common elements or common financing, or (iv) comprising a part of a planned development.

907.02.K.6 On-Site Inclusionary Standards

(a) To qualify for initial occupancy in an Inclusionary Unit, a household must be an Eligible Household. With respect to an Inclusionary Rental Unit, the Eligible Household must provide annual documentation of income and household composition to the Administrative Agent. In the event that household income exceeds 80% of AMI, the household must vacate the unit by the later of either (i) the expiration of the next scheduled lease renewal or (ii) 60 days after the household income exceeds 80% of AMI. With respect to an Inclusionary Owner-Occupied Unit, the Eligible Household must continue to reside in the unit as the household's primary residence.

(b) Prior to the issuance of a Certificate of Occupancy for an Inclusionary Rental Unit, the Applicant shall either:

1. Record a deed restriction allowing the City and Eligible Households to enforce these on-site inclusionary standards and related City regulations, such restriction to be prepared by the Director of City Planning or their designee, or
2. Enter into a master lease of the unit with an Affordable Housing Provider for the entire Affordability Term.

(c) Prior to the issuance of a Certificate of Occupancy for an Inclusionary Owner-Occupied Unit, the Applicant shall either:

1. Record a deed restriction allowing the City and Eligible Households to enforce these on-site inclusionary standards and related City regulations, such to be prepared by Director of City Planning or their designee, obliging owner-occupancy of the unit and restricting additional debt that can be secured against the property, or
2. Sell the unit to a Community Land Trust.

(d)Inclusionary Units must satisfy the Allowable Pricing criteria set forth in 907.02.K.4.

(e) A minimum of ten percent (10%) of units shall be Inclusionary Units. When this yields a fraction, the number of units shall be rounded up to the nearest whole units.

(f) Rental and Owner-Occupied Inclusionary Units will remain affordable for a minimum of 35 years. If the Inclusionary Unit or any property containing an Inclusionary Unit is sold during the Affordability Term, the Affordability Term shall automatically renew for an additional 35 years.

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(g)Inclusionary Units must be integrated within, and distributed throughout, each building, except for:

1. Inclusionary Units are not required to be placed on the top floor in buildings of less than six (6) stories.
2. In buildings of six (6) stories or more, Inclusionary Units are not required to be placed on the top three (3) floors.

(h) Except as provided in 902.02.K.5 (j), on-site Inclusionary Units shall be equivalent to market-rate units within the building in all ways, including appliances, finishes, and square footage.

(i) Core building and Development Project amenities, such as a gym, pool or parking space, must be shared with no additional charges or restrictions to residents in Inclusionary Units unless those charges are subtracted from rent or HOA dues for all residents regardless of unit or rental price.

(j) The percentage of Inclusionary Units that are also Family-sized Units shall be equal or greater to the percentage of Market-Rate Units that are also Family-sized Units.

907.02.K.7 Off-Site Inclusionary Standards

Where provision of Inclusionary Units on-site is determined not to be feasible, inclusionary units constructed off-site may be permitted as a Special Exception in accordance with 922.07, subject to the following standards:

(a)Off-site Units shall be subject to the standards of 907.02.K.6 except for 907.02.K.6 (e).

(b) A minimum of 12% of the subject application's number of units shall be in Inclusionary Units. When this yields a fraction, the number of units shall be rounded up to the nearest whole number.

(c) The applicant shall identify an alternative site suitable for residential housing which the applicant owns, has site control (e.g., purchase agreement, option to purchase, lease), or is otherwise available for the development of Inclusionary Units pursuant to an agreement between the applicant and a developer who owns the site or has site control. With respect to Rental Inclusionary Units, the Applicant must either:

1. Own a controlling interest in the off-site development or

2. Provide evidence of an enforceable commitment to contribute $200,000 or greater per Inclusionary Unit to the off-site development through an agreement with a developer who owns the site or has site control.

With respect to Owner-Occupied Inclusionary Units, the Applicant must either:

1. Own the land and develop the off-site housing, or

2. Provide evidence of an enforceable commitment to contribute $200,000 or greater per Inclusionary Unit to the off-site development through an agreement with a developer who owns the site or has site control.

(d) The Certificate of Occupancy for off-site Inclusionary Units must be obtained prior to the issuance of

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the final Certificate of Occupancy for the subject property.

(e) The off-site units shall be located no more than one-quarter (1/4) mile of the subject site, within City limits.

(f) The applicant must submit analysis to establish that the off-site property has comparable public transit service as the subject site, evaluated by distance from transit stop(s) via Networked Walkshed, number of routes available, and frequency of service.

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