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Title: Resolution promoting affordable housing in the City of Pittsburgh by exploring the expansion of Limited-Equity Housing Cooperatives (LECs).

Sponsors: Deborah L. Gross, Theresa Kail-Smith

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Attachments:

Date	Ver.	Action By	Action	Result
5/25/2022	1	Mayor	Signed by the Mayor	
5/24/2022	1	City Council	Passed Finally	Pass
5/16/2022	1	Standing Committees	Affirmatively Recommended	Pass
5/4/2022	1	Standing Committees	Held in Committee	Pass
4/26/2022	1	City Council	added to the Agenda	Pass
4/26/2022	1	City Council	Read and referred	

Resolution promoting affordable housing in the City of Pittsburgh by exploring the expansion of Limited-Equity Housing Cooperatives (LECs).

WHEREAS, according to the 2020 Census, The City of Pittsburgh's population has been in decline since 2000 with its population decreasing 0.89% over the last decade and 13.4% of Black residents leaving the city; and,

WHEREAS, advocates attribute this drop in population to a lack of quality, affordable housing within the City of Pittsburgh; and,

WHEREAS, The Housing Needs Assessment, provided to the City of Pittsburgh's Affordable Housing Task Force in 2016, reported that there is a citywide deficit of 14,896 units that are affordable and available to households earning 30% of the median household income or below, a figure that has undoubtedly grown since the inception of the COVID-19 Pandemic; and,

WHEREAS, the City has established housing affordability targets in its *Affordable Housing Task Force Findings and Recommendations* in 2016 to encourage the creation and protection of housing affordable to people from a range of ages, incomes, and family sizes; and

WHEREAS, the report included recommendations, including the creation of the Urban Redevelopment Authority's (URA) Housing Opportunity Fund, the implementation of inclusionary zoning policies and interim

planning overlay districts, the preservation of existing affordable housing, and the protection of existing homeowners and renters; and

WHEREAS, LECs provide a viable economic solution to combat affordable housing crises and, simultaneously, foster a host of non-economic benefits that can work to catalyze the social and economic growth of their residents; and,

WHEREAS, in 2020, The Commonwealth of Pennsylvania adopted the amended Pennsylvania Real Estate Cooperative Act, further regulating the creation, alteration, management, and termination of cooperatives, along with providing protection for cooperative interest purchasers; and,

WHEREAS, The City of Pittsburgh currently has limited-equity cooperatives within its borders; with many post-war conversions of World War II government-sponsored rental housing in addition to a few market-rate cooperatives; and,

WHEREAS, other jurisdictions such as Boston, New York City, Washington, Newark, Philadelphia, Baltimore, Atlanta, Indianapolis, Detroit, Chicago, Minneapolis, San Francisco, Kansas City, and Seattle have adopted different regulations for Limited Equity Housing Cooperatives and/or Housing Cooperatives that could serve as a model for Pittsburgh; and

WHEREAS, a full reporting of the number, location, rents, and other characteristics of limited-equity cooperatives in Pittsburgh and additional information and analysis of possible new policies or programs that could be implemented is critical for the Pittsburgh City Council's consideration of possible modifications or implementation of new policies or programs for Limited Equity Housing Cooperatives and/or Housing Cooperatives;

DEFINITIONS.

1. **"Cooperative"** means an association, whether incorporated or unincorporated, organized for the purpose of owning and operating residential real property in the District of Columbia, the shareholders or members of which, by reason of their ownership of a stock or membership certificate, a proprietary lease, or other evidence of membership, are entitled to occupy a dwelling unit pursuant to the terms of a proprietary lease or occupancy agreement.
2. **"Limited-equity cooperative" or "LEC"** means a cooperative required by a government agency or nonprofit organization to limit the resale price of membership shares for the purpose of keeping the housing affordable to incoming members that are low- and moderate-income.

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

The Council requests that the Department of City Planning and the Department of Permits, Licenses, and Inspections prepare a comprehensive report on policy and legislative recommendations in addition to the City of Pittsburgh's quantity, characteristics, and development regulations regarding limited-equity cooperatives (LECs), hereafter referred to as LECs. This report shall be provided to the Council of the City of Pittsburgh by August 23rd, 2022.

A. The report should answer, at least, the questions listed below:

1. A summary of existing regulations for LECs (i.e. size, location on a lot, zoning use table);
2. How many LECs currently exist in Pittsburgh;
3. Where are the existing LECs and when were they built;
4. What do we know about the range of rents and average rents for LECs;
5. What is the cost of permit fees for LECs;
6. What are the common characteristics;

B. In addition, the report shall include **information** and analysis on program and policy changes, including the changes outlined below, that could increase the production of LECs and answer the questions that follow regarding the potential impact on LEC development.

1. Provide incentives for the construction of new LECs:
 - a. Waive all or a portion of permit fees;
 - b. Explore contingencies for the creation of income-restricted covenants;
 - c. Funding options and sources to assist in the formation of new LECs and to provide technical support and assistance to LEC members and LEC boards in the City of Pittsburgh;
 - d. Other incentives that have served as best practices in other jurisdictions.
2. Increase marketing and promotion to the owners of real property that could be an opportunity for conversion to LEC:
 - a. Simplify and streamline financing programs;
 - b. Other outreach and promotion best practices.
3. Explore regulatory changes that could encourage the development and longevity of LECs, such as:
 - a. Removing or changing parking requirements;

- b. Changing the number of people allowed to reside in a single dwelling unit;
 - c. Establishing and implementing appropriate government oversight to ensure that LEC boards have the necessary financial and structural management resources to help them succeed and prosper;
 - d. Changing current regulations that may impact the feasibility of creating LECs.
- 4. Recommendations of other identified needs or requirements for the successful formation and preservation of LECs in the City of Pittsburgh.