

# **Housing For All: Inclusionary Zoning as a Tool to Preserve Affordability**

**10/17/2018, 6 p.m. @ Goodwill**

## **Meeting Notes**

**Q&A:** After the presentations, attendees were invited to ask questions of the presenters.

Are these affordable homes just for millennials? Why only studios or micro or 1-BR units? How does this help families? We need 3-4 bedrooms.

- **LU:** In a lot of IZ policies, there's a requirement that affordable units are identical to the market-rate units. Because a lot of new market-rate development has been primarily 1-bedrooms, that can produce affordable units that are the same. Other cities have gotten creative though, like Cambridge, Massachusetts. They identified a need for affordable units for 3 and 4 bedrooms and created some complicated legislation that used the square footage of the market-rate units, then divided that into 3/4-BR affordable units. The downside is that if you live in that building, you'll know that any multi-bedroom unit operates as an affordable unit and may lead to discrimination.

**Josey:** Do Lawrenceville residents get first priority on the new units or are the new apartment coming online through IZ or through affordable-housing based legislation open to everyone?

- **DCP:** There's no way to ensure a "right of return." However, there are strong community organizations in Lawrenceville that can help to create a pipeline that encourages Lawrenceville-based residents to have access to information first and have all the necessary updates. The Fair Housing Act prevents a location-based preference for housing as that is a discriminatory practice.

Who is defining what's feasible for developers to build Inclusionary Zoning? Are developers defining that or is City Planning?

- **DCP:** Developers need to get a certain rate of return on a project in order to get financing. As part of the Grounded Solutions calculator that the City has now, it helps to educate developers and show the math around getting a 14% rate of return on a project, which is enough to still mandate IZ on a development.

**Lori Anderson:** It'd be great to have an IZ pilot in Lawrenceville. Is there any way to go back and retroactively apply IZ to pre-existing construction?

- **LU:** The recommendations from the Exploratory Committee included rehabs as well as new construction, so if there was a rehab of an existing building, the IZ policy could apply, but absent that, there's no way to retroactively force it on projects that have already been constructed.

If there was something temporary for 18 months, in regards to IZ, maybe it should be more aggressive?

- **LU:** Sometimes if you go too far, it stops development, so there is a further rise in housing costs because of simple supply and demand. And if your goal is to create affordable units, if no new development happens, you don't produce any affordable housing. We also need to be aware that we're testing this out for the City. If we pilot it for 18-24 months and no new development happens then that could allow others to make a case that IZ is a bad policy.

**Sam Martin:** How many more units do you think private developers will be making in the next ten years?

- **LC:** Difficult to answer, due to the lack of publicly-owned land in Lawrenceville. The current estimates are based on private developments. The only multi-family development in the works is Arsenal 201. But Lawrenceville is 3 miles from downtown, there are multi-national corporations here, and Childrens Hospital. LC anticipates a lull because Lawrenceville can't keep growing at its current rate. When development does happen, there needs to be parameters in place.

**Brian B:** You talked about public ownership on tracts of land. Has the City looked at acquiring more land?

- **LC:** We are not aware of the city acquiring anything in the neighborhood. There was a time when the city was laser-focused on development in Lawrenceville. Today, Hazelwood, Homewood, Larimer have gotten more focus. There is less public investment happening now in the neighborhood.

**Frank Machi:** Stanton Heights is in the middle of Lawrenceville and Morningside. Home prices there used to be a lot higher than Lawrenceville, but a boatload of people realized a convenient walkable neighborhood is better. What we need is a mixed income neighborhood for harmony and balance, and what's being discussed is good for that.

**Michael Linn:** Earlier you said "too white." What does that mean? Did Barack Obama make that term? I looked it up.

- **LU:** We did not say "too white." We said the amount of white people in the neighborhood is increasing, both proportionally and in terms of actual numbers. And at the same time, the neighborhood has lost black folks and people of color.

**Gary Schmotzer:** The neighborhood is changing and nobody knows how to put the brakes on it. How do we stop investing from other markets that puts out people who cannot afford to do the same thing? Nobody has any kind of answers on how to stop it. IZ does not prevent outside investors from coming in and buying and doubling their income. If we prevent that, it will solve everything else.

- That's something to focus on for single family homes. IZ only kicks in for larger developments.

*Additional questions were collected in writing and will be answered on LU's website: [www.LUnited.org](http://www.LUnited.org).*

**Discussion Questions:** Attendees were asked to answer three questions at their tables.

**Question 1: Based on what you heard tonight, what do you see as the opportunities and challenges about an IZ in Lawrenceville?**

**Break – out Group 1.**

- Opportunity: More affordable units
- Challenge: Scaring away development; cannot impose too severe of requirements.
- Opportunity: Provide valuable amenities to Residents: schools, food access, transit, walkability

**Break – out Group 2.**

Opportunity:

- When working together, listening to one another.

Challenges:

- What if the IPOD was geared towards keeping Lawrenceville elderly residents in the 'hood.
- Focus is only on the big buildings, we need to focus on small.
- Are there more big buildings going up?
- People will sit on them until the 18 months are up. How do we make sure people don't wait until the 18 months are up?
- How do we keep the neighborhood diverse, not just for millennials?

**Break – out Group 3.**

- Affordability for seniors/fixed income. Their whole support network is here.
- Why are we assuming developers will be scared off by more aggressive numbers? Can we get a better unstanding of current vacant units?
- Equitable distribution of the affordable units.

**Break – out Group 4.**

- Help with Gentrification, and keep people of color in neighborhood.
- Takes time to create properties & housing prices will go up.
- Stop supply and demand. Many people want to come to the neighborhood, how do you get original makeup of Lawrenceville?

- Are we too late? BIGGEST CONCERN

Break – out Group 5.

Challenge:

- Doesn't address the single family market & flippers.
- Doesn't prevent wealthy people from coming into Lawrenceville and buying large swaths of property, redeveloping, flipping and selling @ major profit (capitalism!)
- Preventing people from “gaming” the system through segmentalization of the development size.
- How is this enforced? Resources – where do they come from?

Opportunity:

- Put some “breaks” on the overheated market.
- Imposing an increase in % of off – site.

Break – out Group 6.

- Developers have a right to decide what to do with their money.
- We could potentially lose development.
- Elderly, disabled, and veterans should get priority (inclusionary zoning could be a tool to help keep vulnerable people in their community)

**Question 2: What should the goals of an IZ program in Lawrenceville be? How should we measure success?**

Break – out Group 1.

- Don't know enough about numbers to define precise housing goal.
- More socioeconomically representative picture of Pittsburgh in Lawrenceville.
- Avoid concentrated poverty – balance is important.
- Avoiding displacement of long-time residents: existing network of families, institutions they rely upon.
- Diversity, inclusion, harmony: age, income, background, etc.

Break – out Group 2.

- Keeping with architectural design, preserving the history.
- Incentivizing building family units.
- City workers need to afford to live here.

Success:

- Diversity
- Single parent families units.
- Timeless affordable housing never coming offline.
- 15% of our community is affordable housing.

Break – out Group 3.

- SENIORS
- Local residents/long term residents being the beneficiaries.
- Maintaining the fabric of the community.
- Family/variety of units.
- Community buy-in outside of the advocates.

Break – out Group 4.

- Large mix of income demographics all living in Lawrenceville.
- Trying to get more community investment: more families, people living here long term.

Break – out Group 5.

Goals:

- No distinction in market vs. affordable units size and quality (no “income badges”)

- Possibility of prioritizing local residents?
- Small enough radius for off-site option that it doesn't benefit outside of Lawrenceville and/or Pittsburgh
- Diversity of unit types and sizes so that one isn't disproportionately represented

Measure:

- Drop off in development rates to see if there is an impact
- Increased enrollment in neighborhood schools = the # of families in the neighborhood is increasing

Break – out Group 6.

- Elderly, disabled, and veterans housed in the community
- Folks that grew up in community can stick around
- Success: 95% of given folks (elderly, disabled, and veterans) can stay and flourish in their neighborhood.

**Question 3. What questions do you still need answered, and what would you like to focus on at the next meeting?**

Break – out Group 1.

- When does market plateau? – Some neighborhoods will be hot, others not as much. Could be hard to control.
- Discussion of Community Land Trust

Break – out Group 2.

- Are there URA funds to fix these houses up?
- Incentives for Section 8 landlords to stay Section 8 and upgrade the properties?

Break – out Group 3.

- Why are we capitulating to developers?
- Can we hear more about other cities IZ successes and failures?

Break – out Group 4.

- Is there any way to protect the affordable housing that is still here?
- What about the long-term residents that still own their house? How do we get them involved in the process?

Break – out Group 5.

- More break-out session time.
- A chance to look at the actual text of the law and opportunities for feedback.
- Information about options for long-time renters who want to buy (CLT, LOOP)

Break – out Group 6.

- More focus on elderly, disabled, and veterans
- This should help the most vulnerable folks