

Minutes of the Regular Meeting of the Housing Opportunity Fund Advisory Board of the Urban Redevelopment Authority of Pittsburgh, Wherrett Memorial Room, 13th floor, John P. Civic Building, 200 Ross Street.

July 13, 2018 – 9:00 A.M., E.S.T.

Members Present: Messrs. J. Bey, R. Butler, K. Chintalapalli, J. Jackson, M. Lane, M. Masterson, S. Su, D. Tillman, C. Torres, Mmes. L. Andrews, J. Deming, T. Kail-Smith, V. McDonald Roberts, L. Springs, D. Walker, A. Walnoha

Members Absent: S. Tilghman

Staff Present: Messrs. C. Alcorn, T. Cummings, D. Howe, R. Snipe, Mmes. J. Fairclough, S. Madden, A. Majors, L. Moses, C. O’Leary, J. Smith Perry, G. Taylor, S. Taylor

A. Welcome and Opening Remarks

Dan Gilman, Chief of Staff, opened the meeting and thanked the Housing Opportunity Fund Advisory Board members for their service. He explained that the members are playing a critically important role on behalf of the City. There are three reasons why it’s important. First, the affordability of the cost of living. The second component is people and place. And the third is investment in people. He ended by saying if there is anything that he can do, please let him know.

Tom Cummings, Director of Housing, announced that Jessica Smith Perry has been appointed by the Urban Redevelopment Authority of Pittsburgh to the position of Director of the Housing Opportunity Fund.

Ms. Smith Perry called the Meeting to order.

B. Public Comment

Ms. Smith Perry asked if there were any public comments. Crystal Jennings, a community liaison representative for Pittsburgh United and Pittsburghers for Urban Transit commented on the Pittsburgh United public outreach meetings being held during the months of July & August. Ms. Jennings stated there was a lot of input at the first meeting, which was held in the North Region, and is looking forward to more feedback from the other community meetings.

C. Roll Call/Introductions

Introductions were made of the new members of the Housing Opportunity Fund Advisory Board and a quorum was declared.

D. Announcements

Pittsburgh United (PU) is holding a series of five public outreach meetings throughout the months of July and August. In these meetings, PU will inform the public about the HOF and solicit feedback as to which potential HOF-funded programs are the most needed in each geographic region of the City. Members were asked to attend one of the community meetings. They are scheduled on: July 12 – North Region (already convened), July 24 – Central Region, August 1 – Southern Region, August 8 – Eastern Region and August 21 – Western Region.

E. Meeting Protocol

The Housing Opportunity Fund Advisory Board is advisory in nature and thus is not a separate organization with bylaws. There will not be Board positions but the Advisory Board will follow standard rules of practice for conducting Advisory Board Meetings. All public postings for the meetings will be published in accordance with the Pennsylvania Sunshine Act 65 Pa. C.S. §§ 701 *et seq.*

All Advisory Board meetings will be recorded and minutes will be drafted. For each meeting, there will be Process Items and Recommendations. Process Items will relate directly to the process of the Advisory Board Committee. An example of a Process Item could be the establishment of sub-committees for specific topics or projects. Recommendations will relate directly to funding recommendations – both for programs and for individual projects. There are no Recommendations anticipated at the July 13, 2018 Advisory Board Meeting.

F. Overview of the Purpose of the Housing Opportunity Fund Advisory Board

The HOF was created in 2016 as a direct result of work completed by the City's Affordable Housing Task Force. In 2015 and 2016, the City created an Affordable Housing Task Force ("Task Force") to study the availability of and the need for affordable housing in the City and to make recommendations concerning how to create and preserve affordable housing in the future. The Task Force identified that there is a shortage of approximately 15,000 units available to households that earn less than 30% of the Area Median Income ("AMI") in the City. Therefore, the Task Force recommended actions such as studying incentive zoning and inclusionary housing policies, creating an affordable housing database, creating a preservation housing policy, and creating a trust fund known as the HOF. The HOF will enable the City to fund development gaps for affordable rental and for-sale housing. It will also provide funding for homeownership training, down payment assistance, homeless prevention, and other needed forms of assistance.

In December 2017, City Council authorized a resolution approving the terms of and authorizing the execution and delivery of a Cooperation Agreement with the URA relating to the administration of the HOF and authorizing the assignment to the URA of ten million dollars (\$10,000,000) per year, for a period of twelve (12) years, commencing January 1, 2018, for implementing the Housing Opportunity Fund.

For the administration of the HOF, URA staff will work with a 17-member Advisory Board which was appointed by the Mayor and approved by City Council. As detailed in the legislation, the Advisory Board

will help establish an annual allocation plan as well as review and make recommendations for projects and programs to be funded by the HOF. Also per the legislation, the URA Board of Directors serves as the Governing Board for the HOF and will make all final funding decisions based upon the recommendations provided by the Advisory Board.

G. The Creation of Programs, Policies and Procedures for the HOF

In July 2018, the URA entered into a contract with HR&A Advisors to draft programs, policies, and procedures for the HOF. HR&A Advisors was selected via a Request for Proposals process. The URA received eight proposals from consultants. The RFP committee reviewed several factors including: knowledge of best practices from a national perspective, knowledge of the Pittsburgh housing market, experience in the creation of affordable housing policy, proposed timeframe, the overall fee, the hourly rate, the proposed methodology, and the proposed stakeholder outreach plan.

HR&A Advisors will draft programs, policies, and procedures for the HOF. These programs, policies, and procedures will help construct an annual allocation plan. HR&A Advisors will meet with the Advisory Board, housing advocates, community groups, government officials, and other stakeholders to identify funding priorities as they relate to the existing legislation. Additionally, HR&A would like to schedule meetings with the Advisory Board to discuss potential Early Action Items and how these items fit within a range of program types.

Ms. Smith Perry stated that the areas listed under the legislation are preservation, development, and assistance for Pittsburgh residents and neighborhoods. HR&A is going to draft a fund governance which will include how the fund is going to work, the application round, and the conflict of interest policy for the advisory board members. They will take the combination of the community process and the Advisory Board's comments so that everyone can contribute to the structure. The consultants have suggested starting with existing programs as a template for the fund. There are URA existing programs that may be taken into consideration for the program, and there are other programs that relate to the uses in the legislation.

The goal of this fund is to spend \$10,000,000 annually. Now that the Advisory Board has been appointed, the allocation plan needs developed quickly. The goal is to have a preliminary allocation plan that will be ready to go before City Council by September.

Mr. Masterson stated that it is more than halfway through the calendar year which is the city's fiscal year, and the \$10,000,000 needs to start to be committed for affordable housing. In addition, it's critically important both for people that were in favor and voted for this, and for people who were not in favor, to see it working with their constituents.

Mr. Jackson stated there is a certain amount of time, six months to use some of the funds. He wants to caution to not hastily make decisions.

Ms. Walker asked if there is an inventory of existing programs and how well they work so that the board can determine which ones might be worth continuing to invest in.

Ms. Smith Perry explained that there is an inventory of existing URA programs. These include programs for developers and community groups to revitalize neighborhoods through new affordable housing and rehabilitation housing, and rental gap funding. In addition, there are consumer loan programs that work with existing homeowners to rehabilitate their homes. A brief overview of the URA programs were given.

Mr. Tillman asked to have a breakdown and some literature of all the programs in order to be able to come with recommendations in advance of the board meeting.

Ms. Smith Perry stated there was a sheet listing programs in the packets that were distributed, and will establish meeting dates so that board members can attend a Housing 101 training session that will be educational in nature, and include URA programs as well as what other organizations have to offer.

Mr. Butler asked if there would be reports from each of the community meetings so that the board can be informed of ideas and concerns from the communities.

Ms. Jennings stated that the information will be documented for each meeting, and she plans to keep the board abreast of what the communities have to say. The same questions are being used at every meeting. In addition, the meetings are available on Facebook Live.

Mr. Torres stated that it is really important that the decisions that are made help members of the protected classes.

Ms. Andrews asked if there has been any contact with cities that have these type of funds in place, in order to learn how they work, and how successful they have been.

Ms. Smith Perry stated that Detroit, St. Louis and Washington, DC have trust fund programs. By the next meeting, there will be a comparison of their programs for the board. HR&A has worked with Detroit.

In addition, Ms. Smith Perry will check with the URA IT and media departments in order to offer a separate website where people can enter their comments. It was also suggested that information be made available on other neighborhood websites, and to provide a call in phone number for people without internet access.

H. Description of Eligible Activities

In accordance with Section 234.03 of Bill No. 2016-0602, the following programs, projects, and activities are eligible uses of the HOF:

Existing Homeownership

1. Preserving existing affordable housing through investments such as home rehabilitation or repair; down payment/closing cost assistance, homeownership counseling, pre or post purchase; foreclosure prevention and mitigation; tangled title assistance; energy efficiency; and a tenant purchase fund that supports tenants in the process of acquiring a controlling interest in expiring affordable housing.

Construction of New and Preservation of Existing Affordable Housing

2. Rehabilitation, redevelop or replace existing Deed Restricted Affordable Housing to extend the long-term affordability and habitability of the units.
3. Increase the accessibility of new and existing affordable housing to seniors and people with disabilities.
4. Increase the production of affordable housing for sale or rental to ensure that communities experiencing rapid growth and escalating housing costs continue to have Family Sustaining Rental Housing and ensure that Very Low-Income families have opportunities to live in housing in areas of high opportunity or consistent with a neighborhood revitalization plan.

Homeless Prevention and Long-term Affordability

5. Prevent or reduce homelessness by increasing the supply of homes with supportive services available to people at imminent risk of homelessness or experiencing homelessness. The fund can also be used for programs including rental assistance, rapid re-housing, permanent supported housing, housing first and/or other homeless housing purposes, especially for youth, families, seniors, veterans, people who are chronically homeless and those with disabilities.
6. Provide for funding projects that promote permanently affordable housing through structures such as tenant purchase, community land trusts, shared-equity or deed restrictions placed upon the land.

Neighborhood Stabilization and Development

7. Stabilize Mid and Lower Market Neighborhoods through activities such as making loan and grants available for the construction or rehab of owner-occupied homes or financing the purchase and rehabilitation of vacant structures by Neighborhood-Based Non-Profits for affordable homeownership.
8. Advance any additional housing needs and leverage additional funding opportunities for affordable housing and neighborhood stabilization as they arise.

Also, in accordance with Bill No: 2016-0602, the following income targets shall be used for the overall investment of fund assets in projects, programs, and activities:

- 50% of funds must benefit families and individuals at or below 30% AMI
- 25% of funds must benefit families and individuals at or below 50% AMI
- 25% of funds should benefit families and individuals at or below 80% AMI by providing or supporting homeownership opportunities. 80% AMI may only be exceeded for funds used to provide or support homeownership opportunities by providing down payment and closing cost assistance to first-time homebuyers consistent with the income targets and policies used by the Pittsburgh Home Ownership Program (PHOP).

The HOF Advisory Board should review the eligible activities and income targets listed above and be prepared for future discussion as to how these activities and income targets will relate to an annual allocation plan.

Mr. Torres asked if LGBT youth could be added as part of the homeless category. Ms. Smith Perry stated that although it is not specifically called for in legislation, it doesn't mean that the board can't decide that this is a priority and include it in a homeless prevention program.

Mr. Tillman stated that neighborhood non-profit organizations are listed as being able to apply for the funds. However, it doesn't state minority, women, and disadvantaged business enterprises can do so. In recognizing that the MWBE component is directly intended to address that, Mr. Tillman suggested that the legislation be amended to include that language. Ms. Walker stated that should be deferred to an attorney because there are stipulations in MWBE in particular that are on the legal side not just the procedural side.

Mr. Tillman also raised concerns that per the legislation the URA Board could ultimately fund a project that received a negative recommendation from the Advisory Board in addition to those that received positive recommendations. Ms. Smith Perry and a couple of Advisory Board members stated that the URA Board seriously considers the recommendations provided by existing URA advisory boards as well as public accountability in general.

I. Process Item – Establish Future Meetings

The decision was made to hold meetings at City Council Chambers, and have them televised. However, in future years, there can also be meetings in the neighborhoods to supplement the regular meetings. A poll will be sent to the Board to determine the best meeting date.

J. Other Business

Ms. Smith Perry stated that the HR&A Advisors will be in Pittsburgh the first week of August. There is a community meeting on August 1 which they will attend. The meeting with the Advisory Board and HR&A Advisors will be scheduled tentatively on the 1st or 2nd of the month. The date will be confirmed via email. In addition, the board was asked if anyone would like to chair the meetings. The consensus of the board was to have Ms. Smith Perry chair the meetings for the near future.

K. Adjournment

There being no further business. The meeting was adjourned.