

2019

HOME

WELCOMES

HOME

# Housing Opportunity Fund Annual Report



A program of:



# We strive to make Pittsburgh a more diverse, vibrant city that is affordable to all.

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## Introduction & Mission

**The Housing Opportunity Fund (HOF) understands that Pittsburgh is a place where people put down roots. Where vibrant neighborhoods and community connections flourish, but also where housing can struggle to remain affordable and accessible.**

Connecting people to homes is essential to support and uplift Pittsburgh neighborhoods, as homeownership encourages people to stay longer, connect to their neighborhoods, take better care of their property, and revitalize disparaged areas. The HOF is a helping hand that funds home repairs, offers a warm handshake that welcomes someone to their first home, or offers assistance programs for partners who share in the common mission of ensuring Pittsburgh remains diverse and becomes affordable for all.

Zero interest loans and grants provided through the HOF make it possible to buy a house for the first time, or help existing homeowners make home repairs. The HOF also works hand-in-hand with partners to construct new affordable housing, and support existing affordable housing providers that need help keeping their communities vibrant, welcoming, and safe.

Pittsburgh is a mosaic of 95 neighborhoods that are each unique and full of character. The HOF is here to help support and enhance Pittsburgh neighborhoods by ensuring affordable housing is accessible, and helping existing homeowners remain in the homes and neighborhoods that mean so much to them.

**The HOF understands the deep connections people have with their home, place, and community. Helping people buy a home or stay in a home not only helps support individuals, it also helps support the diverse, friendly, and vibrant city we call home.**

## Message from the Housing Opportunity Fund Director

In the book *Evicted: Poverty and Profit in the American City*, Matthew Desmond, a researcher from Harvard, follows eight households in Milwaukee as they struggle to keep and/or find affordable housing. Many of the families faced eviction due to the lack of supports in a housing system that often fails to help the country's most economically vulnerable residents. In the book, once the families went through an eviction, it became much harder to get back on their feet and find stable, safe, and sanitary housing. This is why programs such as the ones operated by the Housing Opportunity Fund (HOF) are so drastically needed in this country and in the City of Pittsburgh. Through the HOF and other resources, the URA now operates a Housing Stabilization Program that helps people pay their rent for up to three months when faced with a situation where they lose their income. By giving Pittsburgh residents the ability to pay their rent prior to facing an eviction, the residents may be able to stay stably housed and keep their families healthy and safe.

Additionally, the HOF also funds a Homeowner Assistance Program where homeowners can receive loans and grants to repair their homes and stay in their houses for the long-term. The HOF also helps people buy their first home. Did you know that it is often more affordable to pay a monthly mortgage payment than monthly rent? Through the HOF Down Payment and Closing Cost Assistance Program, more people are now learning that they can indeed afford to buy their first home.

Finally, the HOF helps developers and nonprofits build more affordable rental and for-sale homes. By building more homes, the shortage of affordable units in the City is being reduced. If we keep building more affordable units, hopefully, the City will get to a point where no one struggles to find affordable housing or has to experience an eviction. Hopefully, we'll get to a point where affordable, safe, and sanitary housing is available to all and no one is left out.

*- URA Director of Housing Lending & Investments, Jessica Smith Perry*

## Message from the Mayor

As Mayor of the City of Pittsburgh, I am extremely proud of our emphasis on creating and preserving affordable housing for our residents - including the provision of \$10M/year from our operating budget to the Housing Opportunity Fund (HOF). Through the HOF programs, Pittsburgh residents now have access to down payment and closing cost assistance to buy their first home, or to make needed home repairs to a home they own. The HOF also is there for renters, helping with rental assistance funding in the event that their monthly income is cut. Additionally, more than 100 units of affordable rental housing in Pittsburgh have been built or are in the process of being built - funded in part by support from the Housing Opportunity Fund.

*- Mayor William Peduto*

**“They have made something possible for us that we couldn't have done on our own.”**

*- Housing Repair Assistance Homeowner*



## Housing Opportunity Fund Overview

The City of Pittsburgh's Housing Opportunity Fund (HOF) is a Housing Trust Fund that aims to increase and preserve the supply of safe and well-maintained affordable housing for low-income households in the City. Beginning with its adoption in 2018, the City of Pittsburgh is committing \$10 million per year for 12 years to fund affordable housing programs and activities across the City.

HOF legislation states that funds must be allocated at specific Pittsburgh Area Median Income (AMI) levels. AMI levels are measures calculated by HUD that help determine the level of need for a family. AMI is adjusted every year to reflect changes in local income and inflation.

Per HOF legislation, 50% of funds must be allocated towards households at 30% AMI or below, 25% of funds must be allocated towards households at 50% AMI or below, and 25% of funds must be allocated towards households at 80% AMI or below\*.

*\*Down Payment and Closing Cost Assistance Program may go as high as 115% AMI*

### How Can the Housing Opportunity Fund Be Used?

Per HOF legislation, the funds may be utilized in the following ways:

- Create and preserve affordable housing for rent and for-sale
- Focus on deed restricted and/or permanently affordable housing
- Expand access for seniors and people with disabilities
- Increase number of affordable homes with supportive services to prevent homelessness
- Stabilize neighborhoods
- Use funds to secure additional monies and identify other opportunities

### Who Oversees HOF?

#### Advisory Board

HOF Advisory Board is composed of Pittsburgh residents with varying occupations, socioeconomic backgrounds, and expertise. The role of the Advisory Board is to review applications and help guide program development.

#### Governing Board

The URA Board of Directors acts as the governing board for HOF. The role of the governing board is to approve HOF programs and projects, and to advance the HOF Annual Allocation Plan to City Council.

#### URA Board of Directors

- Sam Williamson, *Chair*
- The Honorable Edward Gainey, *Vice Chair*
- Jodi Hirsh, *Co-Treasurer*
- The Honorable R. Daniel Lavelle, *Co-Treasurer*
- Lindsay Powell, *Member*

#### City Council

The Pittsburgh City Council votes to approve HOF's annual allocation plan.



The Housing Opportunity Fund makes me feel more attached to the city. The fact that someone was willing to say, 'we'd like you to buy a house here, and we don't care if you didn't grow up here, and aren't from here' meant a lot to me. It's heartwarming to feel like Pittsburgh wants us in the community."

– First-Time Homebuyer

### 2019 HOF Programs Overview

The HOF 2019 funding year is from January 1, 2019 to December 31, 2019.

For the 2019 funding year, HOF administered six (6) programs.

HOF Program	2019 Allocation
<b>Rental Gap Program (RGP)</b> - Focuses on building new affordable housing and/or preserving affordable rental units	\$3,750,000
<b>For-Sale Development Program (FSDP)</b> - Focuses on building new affordable housing and/or preserving affordable for-sale homes	\$1,250,000
<b>Housing Stabilization Program (HSP)</b> - Provides financial assistance to renter who are experiencing a temporary, non-recurring housing crisis	\$800,000
<b>Down Payment/Closing Cost Assistance (DPCC)</b> - Provides first-time homebuyers with financial assistance towards down payment and closing costs	\$500,000
<b>Homeowner Assistance Program (HAP)</b> - Provides financial assistance to homeowners for necessary home repairs	\$2,200,000
<b>Demonstration Dollar (DD)</b> - Funds allocated to assist in large-scale emergency situations	\$500,000
<b>Administration</b> - Up to \$1 million	\$1,000,000
<b>Grand Total</b>	<b>\$10,000,000</b>

“People might think they don't have enough money to buy a house or improve their credit, but the HOF can support people in achieving these goals. They provide opportunities.”

– First-Time Homebuyer



### Leveraged Funds in 2019

HOF Program	HOF Funds	Non-HOF Funds	Funding Sources
RGP	\$1,940,000	\$58,800,244	Low Income Housing Tax Credit Equity, Bank Financing, HOME, PHFA Housing Affordability and Rehabilitation and Enhancement Fund, Housing Authority City of Pittsburgh
FSDP	\$370,000	\$1,626,950	Bank Financing, Corporate Sponsorship, URA Pittsburgh Housing Construction Fund, Local Philanthropy Grants, PHFA Housing Affordability and Rehabilitation and Enhancement Fund
HSP	\$290,256	-	
DPCC	\$435,000	\$7,177,372	Housing Authority City of Pittsburgh
HAP	\$259,372	\$49,575	Federal Home Loan Bank & CHOICE Neighborhoods

### HOF Funds EXPENDED in 2019

HOF Program	Total HOF Funds Expended	Total Count of Households & Affordable Units Created/Preserved
RGP	\$1,940,000	103
FSDP	\$370,000	7
HSP	\$290,256	151
DPCC	\$435,000	65
HAP	\$259,372	14
<b>Grand Total</b>	<b>\$3,294,628</b>	<b>340</b>

# Consumer Programs Overview

Housing Stabilization Program

Down Payment & Closing Cost Assistance

Homeowner Assistance Program

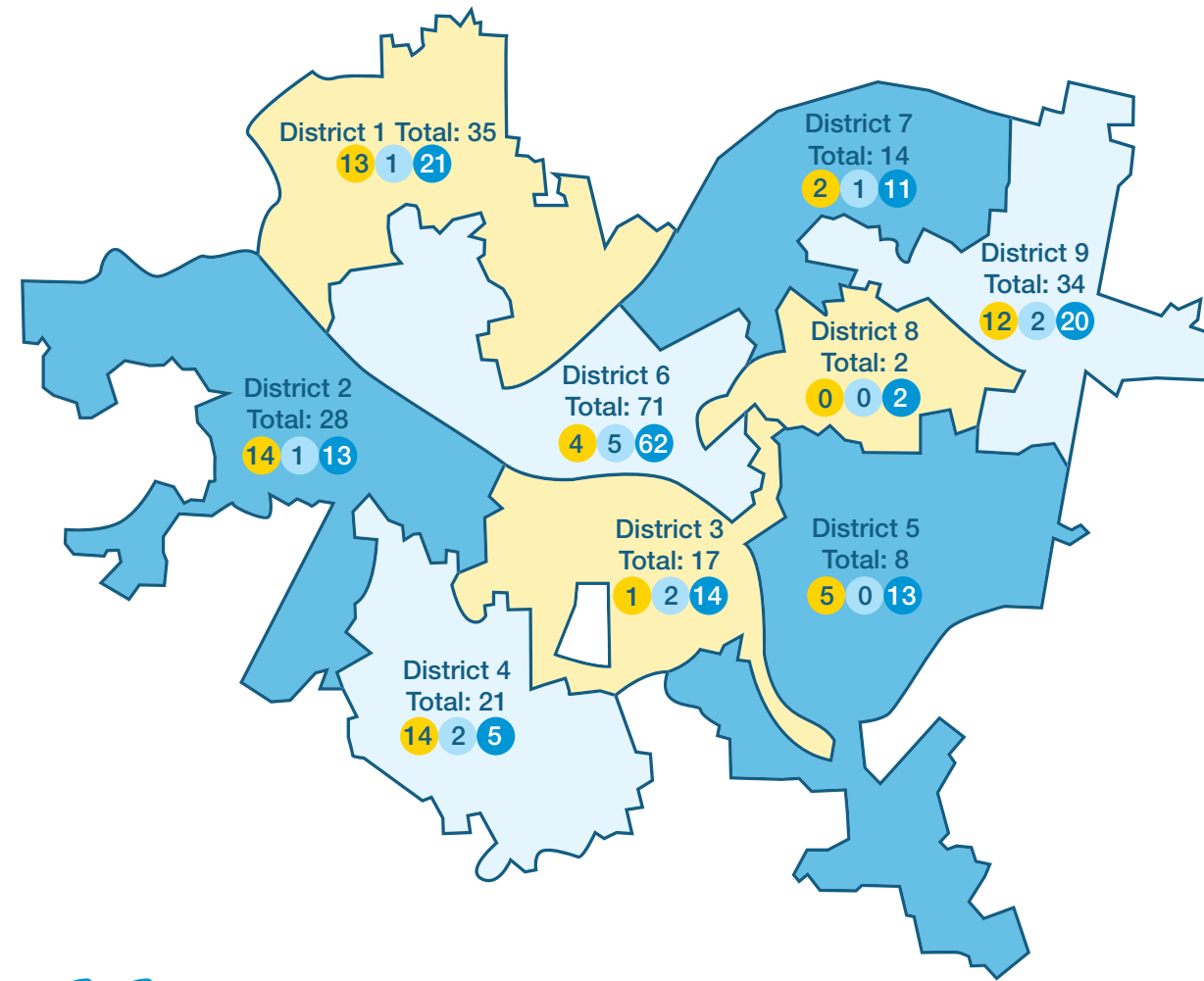
## Downpayment & Closing Cost Assistance Program

The Down Payment and Closing Cost Assistance Program (DPCCAP) provides financial assistance to eligible first-time homebuyers in the City who are interested in purchasing an existing or newly constructed residential unit. In 2019, the DPCCAP assisted 65 homebuyers with purchasing their first home in the City of Pittsburgh.

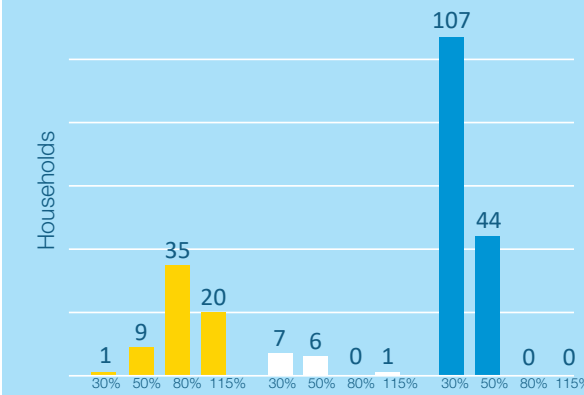


## Geographic Count By Council District

Total: 230



## Summary of Funding & Household by AMI Levels



## Homeowner Assistance Program (HAP)

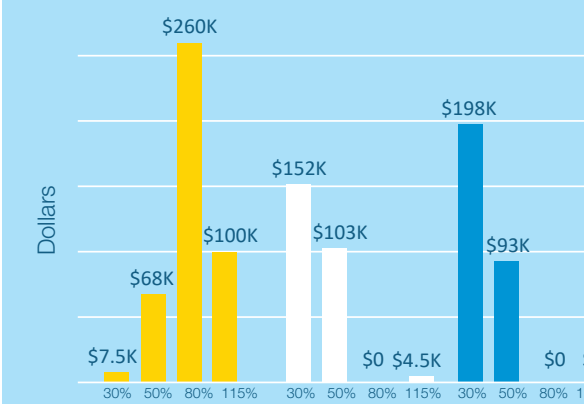
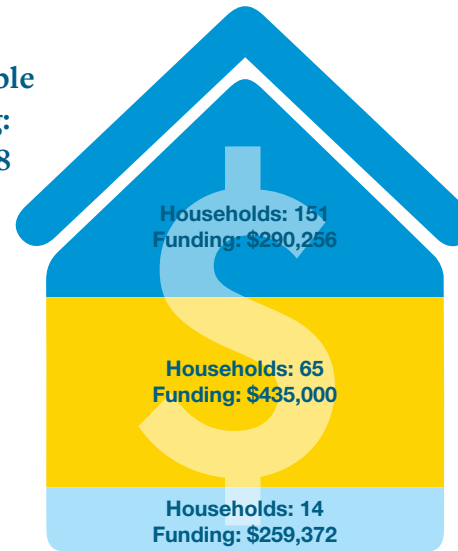
The HAP provides financial assistance up to \$30,000 to eligible homeowners in the City for rehabilitating and improving residential owner-occupied properties within the City of Pittsburgh. In 2019, the HAP completed 14 home renovations. The renovations include necessary repairs such as roofs, electrical system repairs, hot water heaters, etc.

## Housing Stabilization Program (HSP)

The HSP is a housing crisis intervention program that provides one-time or short term (up to 3 months) financial assistance to households who are facing a temporary, non-recurring housing crisis. The HSP also allows for legal eviction prevention services. In 2019, the HSP assisted 151 households.

Total Households: 230

Total Affordable Funding: \$984,628



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The greatest strength of the HOF is its ability to keep people in their homes! In the news, you mostly see the URA doing things for businesses and companies, but they help the individual people that live here and need help, too. My wife grew up six doors down from where we live, and being able to stay in this community means a lot to us. We have deep connections and family history here, and we didn't want to have to sell the house and move, and when we signed the paperwork for the loan, my wife cried. It was very meaningful for us."

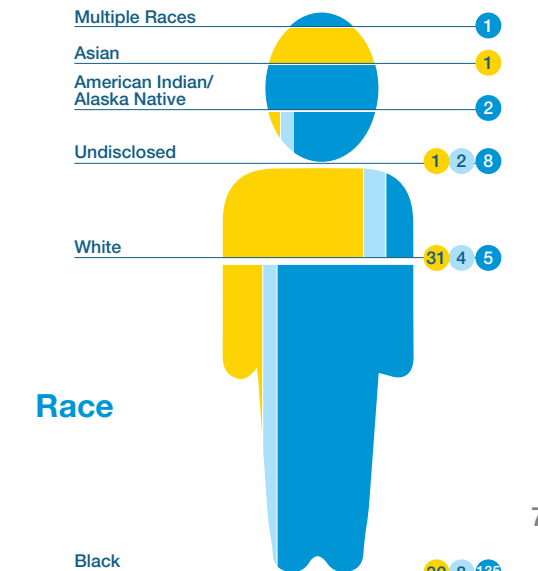
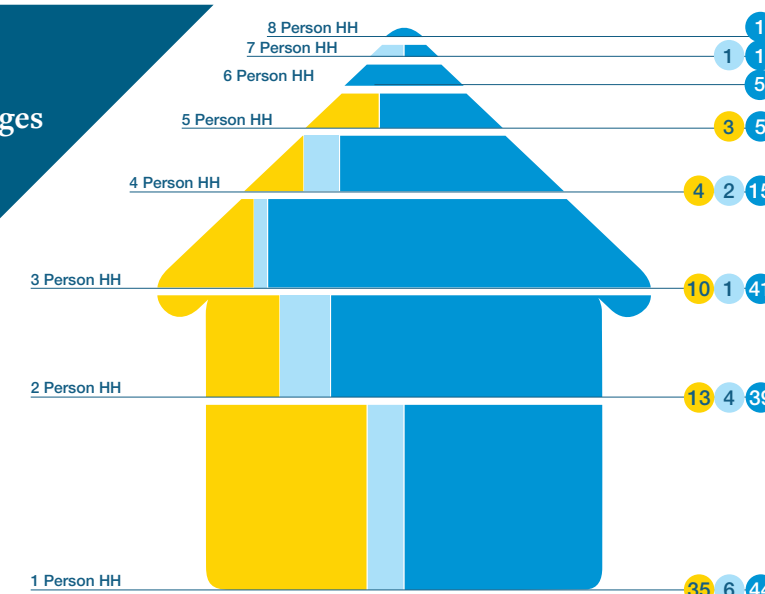
- Housing Repair Assistance Homeowner



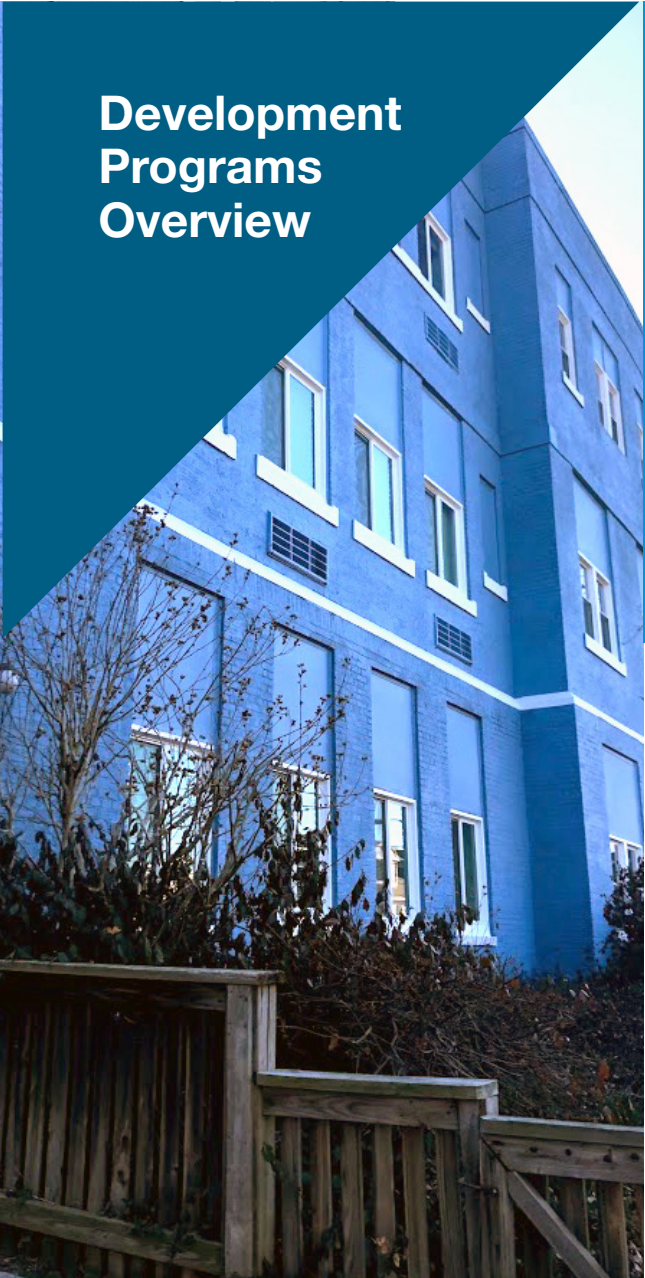
Having things like the HOF rental gap program encourages owners to make capital improvements to their properties, without passing these extra costs along to their residents."

- Module Housing Developer

## Household Size



# Development Programs Overview



## Rental Gap Program (RGP)

The RGP helps fund the creation of new affordable housing and/or preserve existing affordable housing in the City of Pittsburgh. RGP loans are available to developers for the creation and/or preservation of affordable units. All development teams must include a nonprofit applicant. During 2019, HOF closed a total of four (4) RGP projects which resulted in the creation and/or preservation of 103 affordable rental units. Of the 4 projects that closed, two were also occupied in 2019: Parkview Manor and Review Towers.

## For-Sale Development Program (FSDP)

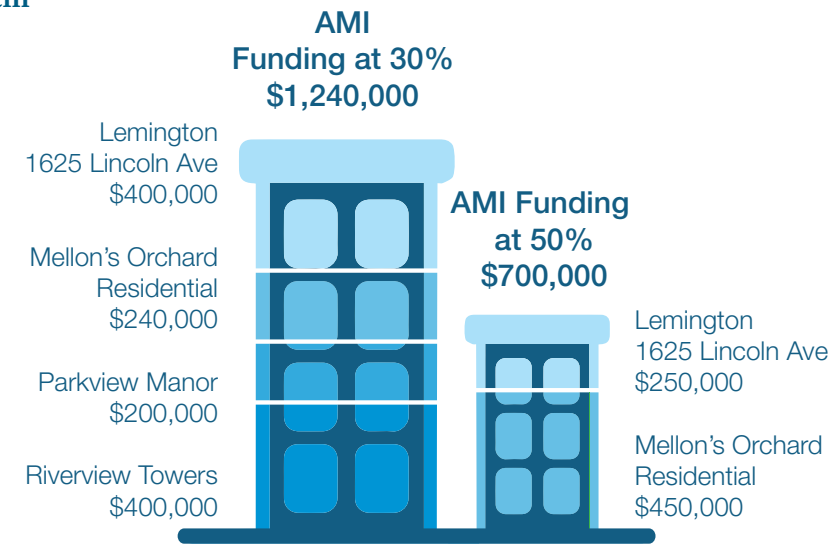
The FSDP provides low interest rate construction financing and/or grants for the purpose of increasing the supply of affordable housing for homeownership and to eliminate substandard housing. Upon completion, properties financed under the program must be sold to owner-occupants who are at or below 80% AMI. During 2019, a total of two (2) FSDP projects closed resulting in the creation and/or preservation of 7 affordable for-sale homes.

## Development Summary

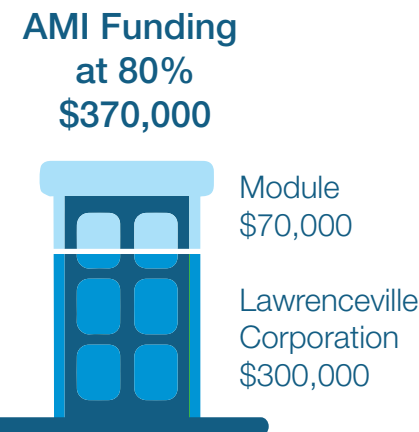
Project	New/ Preservation	Total Residential Units	Total Accessible Units	Total HOF Units	AMI Level of HOF HH	Number of units occupied by tenants w/ a disability - HOF Funded Units ONLY	Occupied in 2019	Average Rent Per Unit
Parkview Manor	Rental Preservation	15	15	5	all at 30% AMI	5	Yes	\$992.00*
Riverview Tower	Rental Preservation	191	20	20	all at 30% AMI	14	Yes	\$773.75*
Leminton - 1625 Lincoln Ave	Rental Preservation	54	54	54	30% and 50%	N/A	No	
Mellon's Orchard Residential	Building New Rental	47	24	24	30% and 50%	N/A	No	
Lawrenceville Corporation	Fixing Up For-Sale	6	0	6	80% AMI	N/A	No	
Module	Building New For-Sale	1	0	1	80% AMI	N/A	No	

\*tenants contribute 30% of their income towards rent

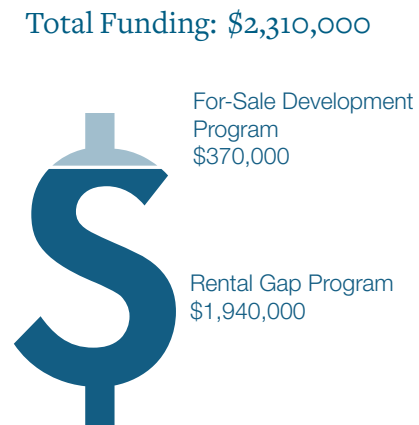
## Rental Gap Program



## For-Sale Development Program



## Development Summary



“Over the last year throughout the City of Pittsburgh, the Housing Opportunity Fund has prevented renters from being evicted, created affordable rental and for-sale housing, made it possible for people to buy their first homes, and funded repairs for homeowners who are in need of assistance. It’s a privilege to be on the advisory board of an organization having such a measurable impact on affordable housing in Pittsburgh.”

– Lena Andrews, HOF Advisory Board Member - Non-Profit Community Development Representative



I am grateful for the opportunity to not only have voted to create the Housing Opportunity Fund, I appreciate serving on the Board because the URA has provided a lot of residents the opportunity to become homeowners, including in District 2. Across the entire city, the programs offered by the URA have enhanced the quality of life for our neighborhoods and our residents.”

– Pittsburgh City Council President, Theresa Kail-Smith



## 2019 HOF Highlights

For the 2019 Annual Report, we talked with people impacted by our programs, and asked them to share their stories, experiences, and perspectives. And what we heard was compelling, thought-provoking, and heartwarming. People are at the heart of our program, and through their eyes we were able to see how the HOF impacts the everyday lives of Pittsburghers. First-time homeowners told us how challenging it can be to afford a home in Pittsburgh, and existing homeowners shared the heavy weight of making repairs to a beloved home that's been in a family for generations. We also learned a little more about the real challenges of building beautiful and supportive affordable housing in a place that's rapidly become more expensive for homebuilders committed to helping our most vulnerable Pittsburgh residents.



### Project Highlight Parkview Manor

In February 2019, the HOF Advisory Board and URA Board agreed to allocate \$200,000 of HOF RGP funds to Oakland Planning and Development Corporation (OPDC) for the renovation of the Parkview Manor affordable living property for seniors and people with disabilities.

With HOF funding, OPDC was able to complete much-needed renovations and repairs, including replacing the roof, replacing the building's shared hot water tank, installing new windows throughout the entire building, painting the exterior of the building, and the replacement of individual packaged thermal A/C units for each unit.

The HOF funds will be tied to five units at or below 30% AMI. The building has a Project-Based Section 8 HAP contract. The current tenant portfolio includes 14 residents at or below 30% AMI and 1 at or below 50% AMI.



**Without the help we received from the HOF, we would have had to sell our house and move. And it would have been devastating. This is our home. This program allowed to us to stay in our home, the home that my wife's family has owned since her grandparents purchased it. I hope they can help so many more people – their help changed our lives.”**

– Housing Repair Assistance Homeowner

### Housing Celebration and Resource Fair

On April 30, the URA hosted a Housing Celebration and Resource Fair. During the event, guests learned about programs and services for tenants and homeowners in Pittsburgh. The Fair provided an opportunity for residents to meet with HOF and URA Housing staff, along with 30 local housing organizations. The celebration, held on the last day of Fair Housing Month, was free, family-friendly and open to the public; 175 people attended.



**Many federal foundations are pulling back their support for affordable housing, and the HOF makes these projects possible in Pittsburgh.”**

– Module, Housing Developer



**“For us, the assistance program was life-changing - we pay half of what we paid in rent in a mortgage.”**

– First-Time Homebuyer

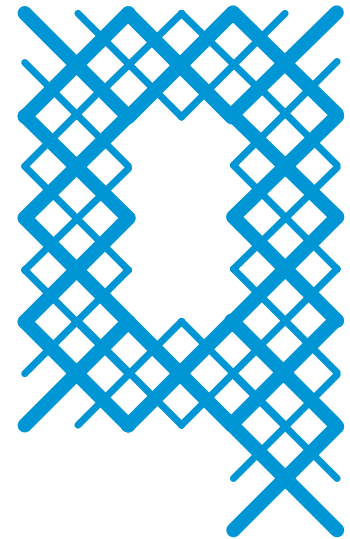
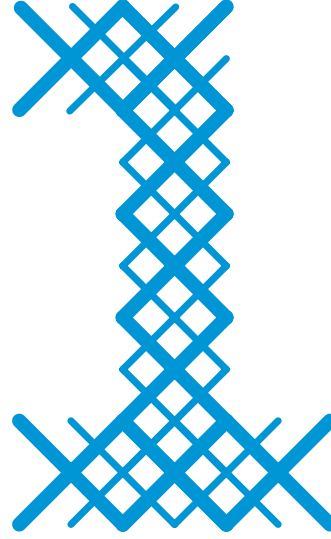
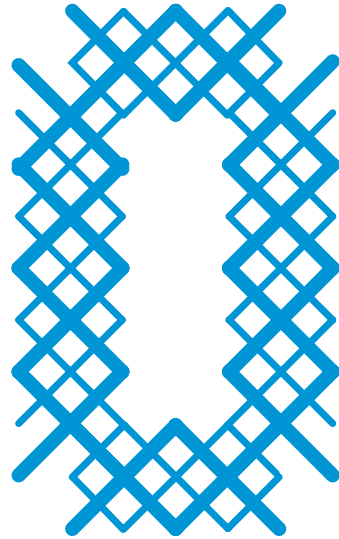
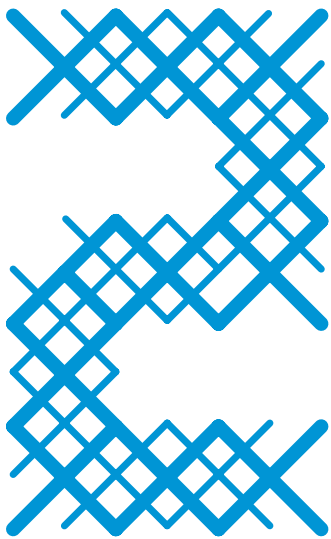
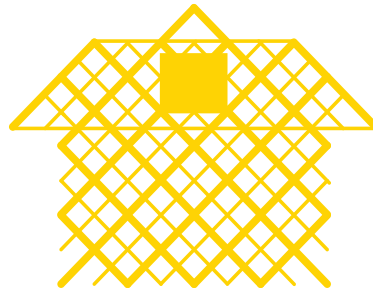
**Having things like the HOF rental gap fund encourages owners to make capital improvements to their properties, without passing these extra costs along to their residents.”**

– Mellon's Orchard Developer

### Project Highlight Mellon's Orchard

In May 2019, the HOF Advisory Board and URA Board agreed to allocate \$690,000 of HOF RGP funds towards East Liberty's Mellon's Orchard South. Located at the corner of Station and North Beatty streets, the Mellon's Orchard South development will feature 37 affordable units and 10 market-rate units. The development will feature a mix of townhouses and apartment-style homes in a variety of size and income levels. Six of the units will be specially designed for residents with mobile and sensory impairments. The total cost of the project is projected to be \$13.6 million.





# Annual Report

## **Urban Redevelopment Authority of Pittsburgh**

Housing Opportunity Fund

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