

Minutes of the Regular Meeting of the Housing Opportunity Fund Advisory Board of the Urban Redevelopment Authority of Pittsburgh, City Council Chambers, City of Pittsburgh, 414 Grant Street, Pittsburgh, PA 15219.

August 2, 2018 – 9:00 A.M., E.S.T.

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

Members Absent: R. Butler, J. Jackson, M. Masterson, L. Springs

Staff Present: Messrs. B. Preis (housing intern), Mmes. J. Smith Perry, G. Taylor

HR&A Advisors: Phillip Kash & Mary Jiang and Urban Ventures: Anne Boynton

#### A. Public Comment

Crystal Jennings, a community liaison representative for Pittsburgh United and Pittsburghers for Urban Transit thanked the members who have attended the community meetings thus far. The feedback from the community meetings have included access to transportation, to be able to age in place, homelessness, and affordable homeownership.

#### B. Roll/Call

Ms. Smith Perry called the meeting to order and declared a quorum present.

#### C. Review and Acceptance of Minutes from the July 3, 2018 Meeting

The minutes of the Regular Board Meeting on July 3, 2018 were approved as written and previously distributed.

#### 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 (already convened), August 1 – Southern Region (already convened), August 8 – Eastern Region and August 21 – Western Region.

#### E. Update on Action Items Requested at the July 13, 2018 HOF Advisory Board Meeting:

1. Housing 101 Training
2. Housing Opportunity Fund Website
3. Pipeline Report
4. Benchmarking Housing Trust Funds in Other Cities

## 5. Stakeholder Meetings with HR&A Advisors and Urban Ventures

### 1. Housing 101 Training

At the July 13, 2018 HOF Advisory Board Meeting, members requested that there be a Housing 101 Training session to educate members on all the housing programs available in the City of Pittsburgh. This session took place on Friday, July 27 from 9:00 AM to 11:30 AM at the URA. Presenters were Jessica Smith Perry (URA), David Weber (Housing Authority of the City of Pittsburgh), Ali Tomich (Pennsylvania Housing Finance Agency), Jane Miller (HUD), and Megan Krider (Federal Home Loan Bank of Pittsburgh). Four Advisory Board members were present. The members received really good handouts from the PHFA and the FHLB, HUD and the HACP, and Jessica Smith Perry forwarded the handouts to the remaining Advisory Board members.

### 2. Housing Opportunity Fund Website

HOF Advisory Board members requested a public-facing website specifically addressing the HOF. URA staff met with the City's Design and Innovation Department and are working collaboratively to create a website that will be linked to both the City and URA webpages. There will be a google doc form that will give Pittsburgh citizens a platform to provide public comments. The website should be up and running by the next meeting.

### 3. Pipeline Report

Members have also requested to see a pipeline report of development projects that are in the predevelopment stage for which the URA and/or other public funding partners are aware. The pipeline report was distributed at the meeting. The report does not encompass all development projects in the predevelopment or planning stages. This is a draft, but the intent is to give people an overview of the pipeline in terms of rental and for-sale projects. A lot of the for-sale projects are being developed by the community development corporations which may need some funding mechanism whether it be from this fund or from other URA programs in the next year or two. It is sorted by rental on the first half, and the for-sale developments on the second half.

### 4. Benchmarking Housing Trust Funds in Other Cities

Members requested to receive a summary of the Housing Trust Programs being implemented in other cities. Benjamin Preis, an URA intern currently attending graduate school at Massachusetts Institute of Technology, presented his findings regarding the Housing Trust Programs in Washington, D.C., Philadelphia, St. Louis, and Minneapolis.

The comparison is with five different cities mostly because they are doing a variety of different activities and as the authorized legislation is so broad, it will give you a sense of what other cities are doing. Most of these cities were chosen because they spent approximately the same amount of money that we do every year. The exception is Washington, DC which is the exception nationwide, they spend \$100,000,000 a year.

According to the Housing Trust Fund project, there are 98 city-based housing trust funds across the United States. Examples of annual budgets are: Washington, DC - \$100,000,000, Philadelphia - \$11,000,000, St. Louis, MO - \$4,500,000-\$5,000,000, Minneapolis - \$8,000,000-\$10,000,000. Only 12 cities nationwide spend more than \$5,000,000 a year through their Housing Trust Fund.

The Programmatic Focus for Multifamily production, Preservation and Rehabilitation includes the following: Washington, DC – Pre-development loans for non-profit developers. Financing for site acquisition, construction loan guarantees, collateral, operating capital. Bridge loans/gaps financing 90% rental and 10% homeownership units. Philadelphia – Loans for rental production and preservation capped at \$2,000,000 per project. Loans for homeownership production (past years). Represents approximately 40% of expenditures. St. Louis, Mo – Loans for both homeownership and rental production, 2<sup>nd</sup> Mortgages that pass-through developers for multifamily homeownership. Represents approximately 25% of expenditures. Minneapolis – Loans for new construction, positive conversion to housing, preservation and rehabilitation of both subsidized and unsubsidized affordable housing. Nationwide – All city trust funds provide funding for new construction. 95% of cities provide funding for acquisition, preservation, and rehabilitation.

The Programmatic Focus for Individual Homeowners and Renters includes the following: Washington, DC – Single family Residential Rehabilitation Program, Lead remediation grants. Philadelphia – Grants for heat repair, weatherization and “Basic Systems Repair”, Adaptive Modification grants, Emergency utility funds, Rental and Mortgage assistance to prevent homelessness. St. Louis, MO – No direct funding to individuals. Minneapolis – No direct funding to individuals. Nationwide – 70% provide funding for single family preservation, 40% provide down payment assistance, 37% provide emergency repair funding, 33% provide funding for energy efficiency, 25% provide funding for housing counseling.

The Programmatic Focus on Other Programmatic Expenditures are as follows: Washington, DC – Funds for building operating expenses, Loans and grants for childcare facilities in multifamily, Loan and grants for architectural designs for adaptive reuse. Philadelphia – Single-family rehabilitation includes funding to nonprofits, such as Rebuilding Together or Habitat for Humanity, capital improvements for low-income multifamily. St. Louis, MO – Grants to providers for home repairs, homeless prevent, shelters and emergency and transitional housing. Housing subsidies and foreclosure prevention and financial counseling and training. Minneapolis – Prioritizes housing for homeless, family housing, use of project-based Housing Choice Vouchers, supportive services and senior housing. Nationwide - Many trust funds provide funding for housing for the elderly or those with special needs, permanent homeless housing, rehabilitation for vacant and abandoned properties, transitional housing, and community land trusts.

##### 5. Stakeholder Meetings with HR&A Advisors and Urban Ventures

As discussed in the July 13, 2018 Advisory Board Meeting, HR&A Advisors and their subconsultant Urban Ventures were hired to help the Advisory Board create Policies and Procedures and to draft an annual allocation plan for 2018. To help create the annual allocation plan, HR&A Advisors/Urban Ventures conducted/will conduct stakeholder meetings on July 31, August 1 and August 2. The stakeholder meetings include meeting with the Advisory Board, government officials, community development

corporations, advocacy groups, home repair providers and other people in the housing industry. The goal of the meetings is to help identify annual funding priorities and program parameters.

F. Presentation and Discussion Regarding Goals, Priorities, and an Annual Allocation Place – to be facilitated by HR&A Advisors and Urban Ventures

1. Introductions

The team members from HR&A Advisors - Phillip Kash & Mary Jiang, and Urban Ventures – Anne Boynton were introduced to the Advisory Board.

Ms. Smith Perry stated HR&A Advisors and Urban Ventures have met with some of the Advisory Board members as well as with other stakeholders including community development corporations, Pittsburgh United and other housing advocates, for profit developers, the home rehab community, PCRG, and will meet with a not-for-profit developer and HACP. They are here to help move the discussion forward through the next two months in order to identify programs and procedures for the fund, and to aid with the annual allocation plan that will be presented to the Advisory Board, the URA Board of Directors, and City Council.

2. Overview of HOF

Starting a Housing Opportunity Fund entails three key pieces: Administration, Programming and Implementation. HR&A Advisors and Urban Ventures will help advance the Housing Opportunity Fund by facilitating decision-making and providing expert guidance. The roles of HR&A Advisors & Urban Ventures are to clarify and expand on governance rules, including a Conflict of Interest Policy, and to facilitate selection of focus areas for the Annual Allocation Plan.

3. Fund Administration

The Advisory Board will shape and undertake a number of key initial administrative tasks which includes adopting working procedures, adopting a Conflict of Interest Policy, and recommending a 2018 Allocation Plan. As described by the legislation, the process of drafting and adopting the Annual Allocation Plan would typically require six months. However, this timeframe has been adjusted due to the shortage of time. As of August 2, the Advisory Board starts Annual Allocation Plan discussions. By Sept.6, the Advisory Board recommends a draft Annual Allocation Plan. In early September, the URA Governing Board approves and submits the 2018 Annual Allocation Plan to City Council for review and approval. The goal is to formulate and expedite a 2018 allocation plan, while discussing how to meet critical housing gaps in the long term. As part of the process, the Housing Opportunity Fund's key stakeholders have been contacted for input.

4. Fund Programming

Housing funds exist to meet the needs of Pittsburgh's residents and neighborhoods. These needs have grown and intensified as Pittsburgh faces a variety of familiar trends that challenge affordability. A few of the needs that have been expressed are: (1) People can't afford to maintain their homes - especially

the elderly. (2) There aren't enough homeless services - especially for families. (3) There is a lack of affordable rental housing for people making less than 30% Area Median Income (\$25,000). (4) First-time homebuyers face many barriers to owning a home. Housing Opportunity Fund legislation has emphasized serving deep need through its Area Median Income targets.

## 5. Board Discussion

Ms. Walnoha stated eviction prevention is an issue, and the transition from homelessness as there isn't enough affordable rental housing available. In addition, people are in the homeless system for long periods of time. Homeless services don't reach the majority of people who are in need. Some people can't get into the system, but are in unstable housing and in crisis but do not meet the criteria of being homeless.

Mr. Tillman stated people can't maintain their homes. Rehabilitation is needed for landlords as well as homeowners, not just the elderly, but people who can't do things that need to be done to their homes. If you think outside of the homeowner, and how it can impact communities from a revitalization standpoint as well as on the landlord side, that needs to be explored.

Ms. Kail Smith stated that the community should decide on the specific projects in the area that's important to them. Each neighborhood has their own unique set of circumstances. That is why it is important to hear what the neighborhood wants. There is a need to break out in committees.

Ms. Walhona stated that a model for shallow rent subsidies has been developed, and that may be something to emulate. It may be a near-term opportunity because what shallow rent subsidy will allow people to do is for people to be in markets that may have been unattainable for them. The shallow subsidies can either be to the individuals or to buildings. It's small amounts of money for a short period, and it's really impactful. There are ways to shorten long term rental assistance at shallow and deep subsidies.

Ms. Anderson stated there is a lot of supportive housing for people with specific types of disabilities and every time a building opens, there is an enormous waiting list. There is a huge need for supportive housing.

Ms. Smith Perry stated the conversation over the next month will be to determine what programs will be used for the various income levels of 30%, 50%, and 80% AMI. Ms. Smith Perry also stated that some of the residents at the public meetings have shared that they really need homeowner repairs. Some homeowners would fit the 50% AMI level and some of their household incomes maybe even hit the 30% AMI level.

There could be homeowner programs where the homeowner themselves apply directly to the URA. There could also be programs where the developer applies to the URA filling 4% tax credits or other programs. In addition, programs may be offered to not-for-profit service providers to provide homeowner repair services or other homeless prevention services.

6. Closing

The next public meeting is scheduled on September 2, 2018. At that time, we will review and adopt a Conflict of Interest Policy and review a 2018 Allocation Plan.

G. Other Business

Nothing to Report.

H. Adjournment

There being no further business, the meeting was adjourned.