

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.

September 6, 2018 – 9:00 A.M., E.S.T.

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

Members Absent: J. Jackson, M. Lane, L. Springs, A. Walnoha

Staff Present: Mmes. S. Madden, J. Smith Perry, G. Taylor

HR&A Advisors: Anne Boynton, Urban Ventures

A. Public Comment

Gene Walker, Executive Director, Mission Commission who provides financial literacy education stated that programs be considered to improve lives through financial education skills to tenants.

Tom Berna, Fishes and Loaves & Hazelwood YMCA, stated that people have difficulty paying their rent. If their rent goes up, they could become displaced. There are times when they have to make a choice between essential expenses. Therefore, it is necessary to keep rents affordable.

Celeste Scott, a community liaison representative for Pittsburgh United and Pittsburghers for Urban Transit stated that Pittsburgh United submitted a letter to the evaluation board of the Housing Opportunity Fund stating the needs from the community meetings.

Ed Nusser, Lawrenceville Corporation, thanked the Board and Pittsburgh United for having the community meetings so that community groups are apprised of the state of affairs, and that people have a voice in this process. This will ensure that the money invested by the fund balances between what needs to be addressed now and the long-term benefit to the communities and people.

Paul O'Hanlon, representative for accessible transportation and City of Pittsburgh/Allegheny County Task Force on Disabilities stated that tenants need to have legal representation available. There is a need for more affordable housing and to expand the scope of for-sale housing for low income people, and to help with homeownership assistance.

Ciora Thomas, SisTers PGH & Commissioner of LGBT Affairs of Pennsylvania, stated there is a housing crisis for trans and non-binary communities in Pittsburgh, and hopes that the community will be included in the housing efforts made by the board.

Helen Gerhardt – Affirmatively Furthering Fair Housing Task Force, stated funds for legal defense is critical for people facing evictions. The City of Pittsburgh should use a significant portion of these funds to address that disparity in our legal system and help prevent evictions which have cascading consequences.

Roll/Call

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

B. Review and Acceptance of Minutes from the August 2, 2018 Meeting

The minutes of the Regular Board Meeting on August 2, 2018 were approved as written and previously distributed.

D. Announcement

Pittsburgh United (PU) held a series of five public outreach meetings throughout the months of July and August. In these meetings, PU informed the public about the HOF and solicited feedback as to which potential HOF-funded programs are the most needed in each geographic region of the City. The meetings took place in the Northern, Southern, Eastern, Western, and Central areas of the City.

Celeste Scott stated that the community meetings were held in the North, South, East and West and Central areas of the City. There were over 150 participants. Some of the concerns according to the areas: North - homelessness, aid and recovery from addiction, providing housing for seniors, help for the LBGTQA community, specifically trans and non-binary people of color, and housing after incarceration. South - access to amenities, i.e., food and transit, permanent affordability, rehab, owner occupied rehab, estate planning, tangled title assistance, homeownership and homeownership education. East - displacement, the disabled, taking care of seniors as well as estate planning. West - displacement, concern about rising rents, concern about development, rental housing, and keeping your community residential.

E. Process Item – Approve Voting Parameters

Staff Report

Proposed Voting Procedures: The Advisory Board consists of 17 members. For purposes of voting, a quorum is 51% of the members, or 9 members. When voting, a vote is decided by 51% of the present members at that meeting.

Derrick Tillman asked if an email vote constituted as a present vote. The Advisory Board decided that it did not.

Sonya Tilghman made the motion for Item E. Approve Voting Parameters with an amendment that a Board member may vote by a conference call, but not through email. Mark Masterson seconded. The motion carried.

F. Process Item – Approve a Conflict of Interest Policy

Staff Report

Vote for the acceptance of a Conflict of Interest Policy: A Conflict of Interest Policy was drafted and reviewed by the Advisory Board. Advisory Board members need to sign the Conflict of Interest Policy.

Ms. Smith Perry stated the Conflict of Interest policy describes what the conflicts are as it relates to the Advisory Board. The Advisory Board was appointed by the Mayor and approved by City Council. The

people on the Advisory Board are here because of their expertise in the housing arena. There are representatives from the five different regions of the city that have done community-based work in those regions. There are also practitioners of housing development and other not for profit and government representation on the board. We needed to have a policy that states that the people on the board understand that they are here for their expertise and that they will publicly disclose any potential conflicts that they have or their organization that they work with recognizing that there may be situations where people's place of employment may be applying for funds from the Housing Opportunity Fund.

As an Advisory Board, it makes recommendations. The governing board of the Housing Opportunity Fund is the URA. The recommendations go to the URA board for final vote. There are two different types of acknowledgment of conflicts. One is when it comes to general policies, procedures and allocation plans, where funds will be going into a rental development line or funds will be going into an acquisition line, there may be people because of their job, already work in those fields. They need to disclose that, but they do not need to absent themselves from a vote. When there are proposals to fund and provide recommendations to the URA board to fund those, if the people whose companies or community groups are applying, they will need to leave the room, and will not be able to vote for any of the projects that are in that funding criteria. After this vote, Board members will state if they have a potential conflict due to where they work or what they do.

Ms. McDonald Roberts read the policy and stated that the conflict of interest also includes any interest in a transaction or decision where "I or including my business or non-profit affiliations or my family, parents, spouse, significant other, siblings, children, grandchildren, grandparents, aunts, uncles and first cousins, close associates or my employer will receive a benefit or gain."

Ms. Smith Perry stated that if anyone has a family member that may apply for HOF funds, that has to be disclosed. Also, if there is a family member that applies for a program that is run by these funds, that needs to be disclosed as well.

Diamonte Walker made the motion for Item F. Approve a Conflict of Interest Policy. Sonya Tilghman seconded. The motion carried.

At this time, Advisory Board members were asked to acknowledge any potential conflicts. Ms. Smith Perry asked that board members sign the Conflict of Interest policy and turn them in after the meeting.

G. Recommendation - Approval of 2018 Allocation Plan

Staff Report

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 stakeholder meetings on July 31, August 1, and August 2. The stakeholder meetings included 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 was to help identify annual funding priorities and program parameters.

Additionally, on August 29, 2018, HR&A Advisors, Urban Ventures, and URA staff conducted a public working session with Advisory Board members to discuss the programmatic priorities for the Housing Opportunity Fund and to draft an allocation plan.

Ms. Smith Perry stated that Anne Boynton from Urban Ventures is here to conduct a presentation of the outcomes of the August 29, 2018 meeting. The allocation plan will be discussed and then voted on by Advisory Board Members.

Ms. Boynton stated the allocation is framed by three considerations: legislation, housing need and capacity to deploy.

Legislation includes: a broad range of eligible uses, specific income targeting by AMI (30%-50%-80%).

Housing Need includes: Broad range of needs (as revealed by demographic analyses, various studies, and conversations with over 40 local housing experts and 150 Pittsburgh residents).

Capacity to Deploy includes: Broad capacity to deploy, (all the programs profiled are constrained by funding, not program capacity).

The Advisory Board has focused on 5 priority programs.

Homeless Rental Assistance – Short term (up to 12 months) rental assistance to households who are homeless or at risk of homelessness.

Rental Gap Financing – For rental project with 4+ units, funds for acquisition, new construction, or renovation.

Owner-Occupied Rehab – Assist low income homeowners with necessary renovations including health, safety, weatherization & accessibility.

Down Payment/Closing Cost Assistance – Help first time homebuyers with down payment and closing costs. \$7,500 for buyers, less than 80%; \$5,000 for buyers greater than 80% but less than 115%.

For-Sale: Acquisition-Rehab-Resale - Supports developers to renovate or construct quality homes for first time homebuyers.

The Advisory Board prioritizes affiliated services which support successful outcomes for residents.

Homeless Rental Assistance – Case management including access to entitlements, employment services, budgeting.

Rental Gap Financing – supportive services appropriate to needs of the project's target population.

Owner-Occupied Rehab – Homeownership counseling, tangled title assistance, foreclosure prevention, decluttering.

Down Payment/Closing Cost Assistance – Homeownership counseling, estate planning.

For-Sale: Acquisition-Rehab-Resale – Homeownership counseling, estate planning.

In 2018, services will be an eligible expense, not a requirement.

Scoring criteria will allocate additional points to an appropriate services plan. Factors to be considered includes: appropriate type of services for resident needs; service provider's established capacity; reasonableness of cost.

There is \$9,000,000 of available (non-administrative) funding to be allocated among the 5 programs.

\$4,500,000 to 30% AMI, \$2,250,000 to 50% AMI, \$2,250,000 to 80% AMI.

The Median Allocation of the board members who completed the worksheet on August 29th meets the parameters as follows:

30% AMI – Homeless rental assistance – \$500,000, Rental gap financing \$2,500,000 and Owner-occupied rehab - \$1,500,000.

50% AMI – Rental gap financing – \$1,500,000, and Owner-occupied rehab - \$750,000.

80% AMI – Owner-occupied rehab - \$250,000, Down payment assistance - \$750,000, Acquisition/rehab/resale - \$1,250,000.

Focusing on the ranges by program, a few areas of consensus were evident. Both homeless rental assistance and down payment assistance receive the least amount of funding (due to the small grant size). Rental gap financing received the largest amount of funding (due to the capital intensiveness and high impact). Rental gap financing vs. owner-occupied rehab – people placed different emphases on these two programs at the 30% and 50% AMI levels. Down payment assistance vs. acquisition/rehab/resale – people placed different emphases on these two programs at the 80% AMI level.

In the 30% AMI, everyone allocated within \$500,000-\$1,000,000 for homeless rental assistance. Half of respondents allocated greater than \$3,000,000 to rental gap, and around \$500,000 to owner occupied rehab. The other half allocated less than \$2,500,000 to rental gap and at least \$1,500,000 to owner occupied rehab. At 50%, everyone allocated most funds to rental gap and owner-occupied rehab. Some respondents included a small amount of rental assistance up to \$250,000. Some respondents included new homeownership at \$250,000-\$750,000. At 80%, everyone allocated within \$150,000-\$250,000 to owner occupied rehab. Half of the respondents allocated greater than \$1,750,000 to acquisition/rehab/resale and around \$250,000 to downpayment closing cost. The other half favored more of an even split, allocating around \$1,000,000 to acquisition/rehab/resale and \$1,000,000 to down payment closing cost assistance.

Ms. Boynton asked board members for their comments on the allocation of the funds by AMI levels. Board discussion ensued, and the 30% AMI level was approved. However, adjustments were suggested for the 50% AMI level.

Mr. Masterson stated \$4,000,000 is being put into the into the plan for rental gap financing. It's the largest allocation being made if you go left to right in the plan. If \$250,000 is moved to Homeless Rental Assistance, it would prevent people from losing their homes, and is much more cost effective and efficient strategy than having to build new units to rehab units in this category. In addition, if it doesn't work, it will be noted for next year's allocation.

Ms. Boynton addressed the board's recommendation of moving \$250,000 into the homeless rental assistance category and asked the board where the division of funds should be made.

Ms. Andrews stated that dividing was a good compromise between the two allocations of Rental Gap Financing and Owner-Occupied Rehab.

Ms. Boynton summarized the recommendation of the 50% AMI outcome as follows: \$250,000 - Homeless Rental Assistance, \$1,375,000 - Rental Gap Financing and \$625,000 – Owner-Occupied Rehab. Board discussion ensued, and the 50% AMI level was approved. In addition, the 80% AMI level was approved.

Mr. Chintalapali stated that the recommendation will go to the URA board for their vote and then it will be presented to City Council for their approval.

Lena Andrews made the motion for Item G. Recommendation - Approval of 2018 Allocation Plan. Sonya Tilghman seconded. The motion carried. Theresa Kail Smith abstained. The approved 2018 Allocation Plan is:

Pittsburgh Housing Opportunity Fund
Proposed 2018 Allocation Plan

	AMI Levels:	30%	50%	80%		Estimated Units/Households
	Target Funding:	\$4.50 M	\$2.25 M	\$2.25 M		to be Served
Homeless Rental Assistance	\$0.5 M	\$0.25 M		\$0.75 M		94
Rental Gap Financing	\$2.5 M	\$1.375 M		\$3.875 M		97
Owner-Occupied Rehab	\$1.5 M	\$0.625 M	\$0.25 M	\$2.375 M		136
DP/CC Assistance			\$0.75 M	\$0.75 M		100
Development of For-Sale Housing Administration			\$1.25 M	\$1.25 M		14
		\$4.5 M	\$2.25 M	\$2.25 M	\$10 M	441

Mr. Bey stated from the conversation from the public, there was heavy emphasis on preserving affordability, and the existing housing stock, but the language doesn't emphasize that. The descriptions need to be clarified.

Ms. Smith Perry stated the preservation of affordable rental units has been a focus of the URA over the last year. A preservation database is being established. For a lot of the markets that are growing economically, there is the need to help the properties that have deed restrictions when they come close to expiring. The rental gap financing line item can help with that. The description will be modified and sent to the board members before the allocation plan is on the website.

H. Update - Housing Opportunity Fund Website

Staff Report

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 allocation plan will be placed on the website.

Ms. Smith Perry stated there is going to be a smaller version of Housing Opportunity Fund website which may just be a brief description and a google doc form or e-mail address tomorrow and then the larger website should come over the next couple of months. In the google doc form, people will be able to put feedback in and it will go directly to the URA.

I. Other Business

The next meeting date is Thursday, October 4, 9:00 a.m. in City Council Chambers. As was mentioned at the beginning of the meeting, a public comment session will be available at the end of the meeting. The public was asked if they had comments at this time.

Crystal Jennings, a community liaison representative for Pittsburgh United and Pittsburghers for Urban Transit, commented that before the 2018 Allocation Plan goes on the website and before public comment or feedback, that the language be modified because the people in the room understand it, but others may not, and may become confused.

Celeste Scott, a community liaison representative for Pittsburgh United and Pittsburghers for Urban Transit, commented about what was heard in the meeting about addressing barriers. Things like credit scores for loans were causing people not to be able to access financing.

Helen Gerhardt, Affirmatively Furthering Fair Housing Task Force, commented about the housing allocations to look at the connections at attempted status and eviction. There is so much data that legal defense would prevent so much homelessness. Even if the person wins, that record of being evicted or having been in a proceeding follows them for the rest of their life with no way to remove that. Even if it was an unjust eviction that damage continues. Think about how much harm could be prevented by making sure that people have legal counsel.

J. Adjournment

There being no further business, the meeting was adjourned.