

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.

February 7, 2019 – 9:00 A.M., E.S.T.

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

Members Absent: J. Jackson, L. Spring, S. Tilghman, C. Torres

Staff Present: Messrs. D. Geiger, E. Miller, Mmes. J. Smith Perry, G. Taylor, S. Taylor, V. Tercias

**A. Public Comment**

There was no public comment.

**B. Roll Call**

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

**C. Review and Acceptance of Minutes from the January 7, 2019 Meeting**

The minutes of the Regular Board Meeting on January 7, 2019 were approved as written and previously distributed.

**D. Recommend the Approval of Rental Gap Program (RGP) funding for: The Residences at Wood Street's Redevelopment of Wood Street Commons and Oakland Planning & Development Corporation's Redevelopment of Parkview Manor.**

**Staff Report**

On November 8, 2018, the URA issued an RFP for the Rental Gap Program. To date, there have been three awards: (1) the Centre Avenue YMCA development in the amount of \$600,000, (2) the Riverview Apartments Development in the amount of \$400,000, and the Observatory Hill Five Points Development in the amount of \$240,000. At the February 7, 2019 HOF Advisory Board Meeting, the Advisory Board will review RGP loan requests from the Residences at Wood Street for sprinkler and façade work at Wood Street Commons and from Oakland Planning & Development Corporation for renovations to Parkview Manor. The Advisory Board's funding recommendations will be presented to the URA Board of Directors on February 14, 2019.

**(a) The Residences at Wood Street's Redevelopment of Wood Street Commons in the Central Business District**

Wood Street Commons is a unique resource, providing housing and supportive services in the form of 258 single room occupancy units to low income adults.

Mr. Miller stated the Residences at Wood Street is located at 301 Third Avenue in the Central Business District. This is a 259-unit single room occupancy building. It is occupied by low income residents and it's the only single room occupancy facility in downtown Pittsburgh. They plan significant capital improvements as well as funding for the social services provided at the facility. In the residential portion of the building which are floors 7-16, they plan to install a new fire pump, update sprinkler heads throughout the facility, connect the residential elevator to an emergency generator, install card readers on doors throughout the residential section of the building, and add more security cameras. There are crumbling façade sections along Third Avenue that will also be repaired with this funding. These improvements will benefit all 259 units based on the HOF deed restriction that will be recorded. 80 units will be subjected to permanent deed restrictions with 30 units at 30% AMI or below and 50 units at 50% AMI and below. The services that are provided to residents are community human services including various forms of case management, i.e., recently released formerly incarcerated residents in transitional types of housing, medical respite housing, and there is a café that provides low cost meals to residents seven days a week twice a day. The total project costs are \$464,000 including \$30,000 that is allocated to services.

The Residences at Wood Street have received \$70,000 from the Federal Home Loan Bank Affordable Housing Program, and a Bridgeway Capital Bridge Loan. They are in good standing with performance and compliance at the URA and a final MWBE plan is required before loan closing which is expected in three months. Work is expected to start immediately after that and last up to six months. The project scored exceptionally well, and it should be ready to start as soon as funding is secured. Residences of Wood Street is constantly making updates and upgrades to the building, and the capacity of the development team is strong. It is a cost reasonable project based on the review of Engineering & Construction at the URA. In geographic diversity, this is the only facility of its type in downtown Pittsburgh. Also, by being downtown, it does well with the P4 metrics transit with proximity to bus lines, walkability, and bike ability. As the result of the extensive services provided, they scored well in that category too. HOF Rental Gap Program Loan funds are being requested in an amount of \$400,000. Staff is recommending that \$380,000 be awarded.

Kevin Hanley, Executive Director of the Residences of Wood Street stated the building was acquired 10 years ago. Since then, there have been many capital projects to improve it. The commercial space has been redeveloped to help generate income to operate the building. There is a partnership with Community Human Services to provide services to the people who live there.

Pat Fenton, Executive Consultant at Action Housing is a board member of the Residences at Wood Street. There has been \$15,000,00 in building system improvement of all types made over the years. The request today is for critical life safety issues. This is a unique property and ownership structure includes public entities along with private organizations. It preserves a critical asset for the entire community.

## **RECOMMENDATION 2 (2019)**

**Kyle Chintalapalli made the motion for Item D-(a). Recommend the Approval of Rental Gap Program (RGP) funding for the Wood Street's Redevelopment of Wood Street Commons Development. The financial commitment will expire on June 30, 2019 if the construction/financial closing has not taken place. Valerie McDonald Roberts seconded. Those in favor: J. Bey, R. Butler, K. Chintalapalli, J. Deming, V. McDonald Roberts, A. Walnoha, and D. Walker. The motion carried. L. Andrews, M. Masterson, S.**

**Su, and D. Tillman abstained/left the table for the discussion in accordance with the Conflict of Interest policy.**

**(b) Oakland Planning & Development Corporation's Redevelopment of Parkview Manor in South Oakland**

Parkview Manor is a 15-unit affordable living property for seniors and people with disabilities. It needs renovations to keep the buildings in good condition and to preserve the affordable resource in the City.

Mr. Miller stated that Oakland Planning Development Corporation's Parkview Manor is located in South Oakland at 3250 Parkview Avenue. It is a 15 unit, HUD 202 affordable living property for seniors and people with disabilities. The project renewed its HUD Section 8 contract for 20 years, and OPDC has operated the project since the early 1990s when the building was converted from a former catholic school to affordable apartments. All of the units are one bedroom, one bathroom. They are all occupied, and OPDC maintains a lengthy waiting list for these units. The building is in need of capital improvements. The proposed renovations are the replacement of heating and cooling units in each unit, the replacement of all of the windows in Parkview Manor, and the replacement of a hot water tank. Also, some necessary landscaping that would make the property more accessible to all the residents, and communal hall carpeting on all three residential floors are included in the scope.

Work will be initiated as soon as closing occurs and will be completed within six months of funding. All the fifteen units will be affordable. The HOF deed restriction will be recorded for five units at 30% AMI or below. HOF Rental Gap Program Loan funds are being requested in an amount of \$175,000. Staff is recommending that the full \$175,000 request be awarded. However, there are still a couple of bids that are being finalized with OPDC. So, the funds will be in an amount of up to \$200,000 and there will be a firm number by the time the closing.

Elly Fisher, Assistant Director, Oakland Planning & Development Corporation stated there is a list of things to improve in the building. There is a huge need across the city for this type of building. Senior buildings usually have a wait list. Currently, there are 15 units, and 15 people on the wait list. The tenants are qualified every year. The project is HUD restricted through the housing program, and the contract was recently renewed for 20 years. It's the intention to continue to keep Parkview Manor affordable.

Ms. Smith Perry stated the loan amount in the packet is at \$175,000, but that staff is recommending an increase to \$200,00 because the window bid was higher than expected. There is cashflow on this building because it is project based. Therefore, the loan should be paid monthly. The term is listed at 15 years, but OPDC asked that the loan term and amortization be increased to 20 years.

**RECOMMENDATION 3 (2019)**

**Kyle Chintalapalli made the motion for Item D-(b). Recommend the Approval of Rental Gap Program (RGP) funding for the Oakland Planning & Development Corporation's Redevelopment of Parkview Manor Development. The requested loan amount will be up to \$200,000 with a 20-year term. In addition, the financial commitment will expire on June 30, 2019 if the construction/financial closing has not taken place. Joanna Deming seconded. Those in favor: J. Bey, R. Butler, K. Chintalapalli, J. Deming, M. Lane, V. McDonald Roberts, A. Walnoha, and D. Walker. The motion carried. L. Andrews, M.**

**Masterson, S. Su, and D. Tillman abstained/left the table for the discussion in accordance with the Conflict of Interest policy.**

**E. Recommend the Approval of Contracts / Agreements with the following non-profit Program Administrators to help administer the Homeowner Assistance Program (HAP):**

- (a) Action Housing, Inc.**
- (b) Habitat for Humanity of Greater Pittsburgh**
- (c) Hilltop Alliance**
- (d) Nazareth Housing Services**
- (e) Oakland Planning & Development Corporation**
- (f) Rebuilding Together Pittsburgh**

### **Staff Report**

The main objective of the HOF Homeowner Assistance Program (HAP) is to provide financial and technical assistance to eligible Borrowers for rehabilitating and improving residential owner-occupied properties citywide. Through HOF HAP, the URA provides deferred 0% interest loans and grants to assist low-income Borrowers to: bring their homes into compliance with city codes; undertake energy efficiency improvements; and undertake eligible general property improvements. The homeowners must have annual household incomes less than 50% of the Area Median Income.

On December 13, 2018, the URA released a Request for Proposals (RFP) for Program Administrators to help the Authority administer the program. The program administrators will work with homeowners to identify the scope of work and prepare bids or cost estimates. The program administrators will either perform the construction work themselves or contract with contractors to perform the work. The Program Administrators will coordinate the work with the URA's HOF Department and the Engineering and Construction Department.

The URA received six proposals. After reviewing the applications, staff recommends contracts with all six organizations. The applications and recommended contract amounts will be discussed at the Advisory Board meeting. The Advisory Board's funding recommendations will be presented to the URA Board of Directors on February 14, 2019.

Ms. Smith Perry stated this program will allow homeowners to apply to the URA for repairs that need to be done on their homes. This will include households with incomes under 50% AMI and 30% AMI. The URA will work with each program administrator to ensure that funds are allocated to the two income levels. Sharon Taylor is the program administrator for the Homeowner Assistance Program at the URA and will receive the applications, check the household incomes and will work with the six program administrators to distribute the projects to them. They will work with the homeowner to prepare work write ups and the scope of the rehab. The work writeups will be submitted to the URA as part of the HOF program. The HOF has funded an inspector position at the URA, and the inspector will then prepare the work write ups and visit the homes at the beginning and at the end of the construction. There will be contracts with the program administrators and as they perform the work, they will invoice the URA under those contracts.

Responses were received from the following six organizations: Action Housing (citywide) is requesting funds in an amount of \$650,000. Staff is recommending that \$500,000 be awarded. Habitat for Humanity (citywide) is requesting funds in an amount of \$200,000. Staff is recommending that \$200,000 be awarded. Hilltop Alliance (specific neighborhoods) is requesting funds in an amount of \$650,000. Staff is recommending that \$400,000 be awarded. Nazareth Housing Services (citywide) is requesting funds in an amount of \$100,000. Staff is recommending that \$100,000 be awarded. Oakland Planning & Development Corporation (specific neighborhoods) is requesting funds in an amount of \$649,000. Staff is recommending that \$200,000 be awarded. Rebuilding Together Pittsburgh (specific neighborhoods) are requesting funds in an amount of \$206,500. Staff is recommending that \$200,000 be awarded. The contract length is nine months. If it appeared that the requested amount was too large for a small geographic area, it was reduced. Also, as this is a pilot program, no contracts will be awarded above \$500,000. It is also important to note that the RFP included tangled title work, but there were no responses specific to the tangled title work. The RFP is still up on the website, and it is possible that there may be one or two responses for this work in the future months. The program administrators are present, and the representatives are: Derek Kendall-Morris - Habitat for Humanity, Greg Simmons - Action Housing Aaron Sukenik - Hilltop Alliance, Elly Fisher - Oakland Planning and Development Corporation, Erik Stoller – Rebuilding Together Pittsburgh, and Bill Vandivier – Nazareth Housing Services.

Ms. Kail Smith stated there is some concern in working with Habitat for Humanity because work that they previously did in the City was substandard.

Derek Kendall-Morris, Habitat for Humanity stated that since that time, several practices have been implemented to ensure quality work. Third party inspectors are being employed on every job to make sure that the work is meeting the standards of Habitat and the homeowners. When there is a complaint, there is a process in place where staff members are assigned to meet with those homeowners and resolve the issues.

Mr. Tillman asked if there can be a construction warranty of up to a year.

Mr. Chintalapalli stated a 12-month warranty is standard for contractors and could be used as an operating assumption in the contract.

#### **RECOMMENDATION 4 (2019)**

**Joanna Deming made the motion for Item E. Recommend the Approval of Contracts / Agreements with the following non-profit Program Administrators to help administer the Homeowner Assistance Program (HAP): Action Housing, Inc., Habitat for Humanity of Greater Pittsburgh, Hilltop Alliance, Nazareth Housing Services, Oakland Planning & Development Corporation, and Rebuilding Together Pittsburgh. The agreements will be for nine months with the ability to extend if needed and will include the requirement to give the homeowners a one-year warranty. Derrick Tillman seconded. Those in favor: J. Bey, R. Butler, K. Chintalapalli, J. Deming, V. McDonald Roberts, A. Walnoha, and D. Walker. The motion carried. T. Kail Smith abstained. L. Andrews and S. Su abstained/left the table for the discussion in accordance with the Conflict of Interest policy.**

## **F. Staff Presentation Regarding the Housing Opportunity Fund Marketing Strategy**

### **Staff Report**

Vethina Tercias, HOF Community Outreach Specialist, described community outreach activities conducted to date and the marketing strategy.

Ms. Tercias stated the HOF Branding includes the HOF logo which is consistent with the URA style guide. The publishing and production materials are being printed inhouse, but will be outsourced.

Billboards have been posted in all nine council districts and will run from February 4-24. The phone number listed on the boards is Vethina's phone number. Considerations for the future of outreach include: Cost vs. effectiveness, visibility, public responses, accurate messaging.

There will be a series of community feedback meetings to receive feedback for the 2018 Allocation Plan as well as feedback to guide the future 2019 Annual Allocation Plan. These meetings are designed to be interactive. HOF will be incorporating Turning Technologies to track community feedback which includes: interactive presentation, real time responses, automatic tracking, optional hardcopy/online survey.

Community outreach meetings/discussions were conducted with: Uptown EcoInnovation, PCRG-VPWG, Lenders Meeting, RAMP, NSLC, MWCDC, HOF Community Meetings, Federation of Teachers, Perry Hilltop Citizens Council & Fineview Citizens Council, and ACC.

The HOF is advertising via: Nexdoor, City Council, URA social media accounts, within the community, community meetings, and newspapers.

## **G. Review of Expenses to Date**

### **Staff Report**

The Advisory Board received an expense report showing the expenses to date.

The Rental Gap Program line item is \$3,875,000 with \$1,795,000 in committed funds. There is \$2,080,000 available to commit.

The Homeowner Assistance Program line is \$2,375,000 with \$1,600,000 in pending contracts to the program administrators.

The Administrative line item is \$1,000,000. Expenses from 9/1/2018 – 2/7/2019 are currently at \$254,011.55. There will be additional invoices from HR&A Advisors and marketing costs to design the billboards.

Mr. Chintalapalli suggested having a dashboard or announcement at the beginning of the URA Board meetings that will highlight the HOF's efforts and complementary pieces that are either disbursed through social media or press releases, etc. In addition, an annual report will be made publicly available.

Ms. Deming stated that partnering with Pittsburgh United to aid in outreach would be complementary to the HOF outreach efforts. Pittsburgh United helped to establish the grass roots element and build a network. There is a history and longevity that can be fostered by contracting with Pittsburgh United to continue their efforts.

Ms. Walker stated that the URA has specific provisions about how to contract and there is a procurement process in place and cautioned against making a decision without ensuring that it is equitable.

Ms. Smith Perry stated that a working group will meet to discuss the community outreach and marketing strategy to move forward with the HOF 2019 Allocation Plan. A contract with Pittsburgh United would not be possible before the community meetings take place as it would have to go before the URA Board and there is not enough time to do so. Additionally, there are processes in place at the URA for procurement.

### **RECOMMENDATION 5 (2019)**

**Joanna Deming made a motion that the URA and HOF staff ascertain a short-term solution and long-term solution to engage with Pittsburgh United to aid in community outreach. Theresa Kail Smith seconded. Motion carried.**

#### **H. Announcement of 2019 Allocation Plan Public Meetings**

##### **Staff Report**

There are five meetings scheduled to discuss the public's priorities for the 2019 Allocation Plan. All meetings start at 6:00 PM. The meetings are as follows:

February 12 - West End Active Healthy Living Center (80 Wabash St) – West  
February 14 - Kingsley Association Center (6435 Frankstown Ave.) – Central  
February 26 - Grace Memorial Presbyterian Church (1000 Bryn Mawr Rd) – Hill  
February 28 - Beechview Active Healthy Living Center (1555 Broadway Ave) - South  
March 5 - Manchester Citizens Corporation (1319 Allegheny Ave) – North

#### **I. Other Business**

Ms. Deming asked to revisit having a Chair identified from the Advisory Board members to run the meetings. It is important to have a counter balance between staff and the Advisory Board to help with communication ahead of the meetings to ensure the agenda reflects priorities.

Ms. Smith Perry stated this was addressed in the year end note from HR&A Advisors and was part of their recommendations. The item of identifying an Advisory Board Chair will be addressed at the next meeting.

The floor was open to public comments. There was no public comment.

#### **J. Adjournment**

There being no further business, the meeting was adjourned.

