

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.

May 2, 2019 – 9:00 A.M., E.S.T.

Members Present: Messrs. J. Bey, R. Butler (via phone), K. Chintalapalli, M. Lane, M. Masterson, S. Su, D. Tillman, Mmes. L. Andrews, J. Deming, T. Kail-Smith, S. Tilghman, A. Walnoha, D. Walker

Members Absent: J. Jackson, V. McDonald Roberts, L. Springs, C. Torres

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

A. Public Comment

Swain Uber made a presentation on eviction prevention defense and advocated for increased funding in Housing Stabilization funds for this process.

Crystal Jennings, CJ Consulting and a contractor through Pittsburgh United, thanked the board members who attended the Housing Resource Fair.

B. Roll Call

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

C. Review and Acceptance of Minutes from the April 4, 2019 Meeting

The minutes of the Regular Board Meeting on April 4, 2019 were approved as written and previously distributed.

D. Recommend final approval of the 2019 Annual Allocation Plan

Staff Report

In February, HOF staff and the Advisory Board began the multi-step process to create the 2019 Annual Allocation Plan. First, five public meetings were held in February and March. Next, the HOF Advisory Board held two public working team meetings on March 22 and March 27 to begin to create a draft 2019 Allocation Plan. The Advisory Board was given a report that summarized the survey data from the outreach meetings and the online survey.

After much discussion, each Advisory Board member was asked to complete a worksheet creating a draft plan. 11 responses were compiled, and a median allocation plan was presented and discussed at the April 4, 2019 HOF Advisory Board Meeting. The Advisory Board members proposed a couple edits during the meeting and collectively agreed to a draft 2019 Allocation Plan.

The draft 2019 Allocation Plan was posted on the URA website on April 8 with a form for public comment. It remained on the website through April 30. Additionally, on April 30, a HOF Advisory Board member

presented the draft 2019 Allocation Plan to the members of the public who attended the Housing Celebration and Resource Fair. Staff was also on hand at the fair to log public comment.

Ms. Reese stated there were 47 total responses from the comment form and the hard copy forms that were circulated at the community meetings. Of those responses, 26% were Renters, and 74% Homeowners; 74% of the respondents agree with the allocation plan in the current form; 72% of homeowners agree with the Allocation Plan and 80% of renters agree with the Allocation Plan.

The 2019 Annual Allocation Plan is as follows:

AMI Level	30%	50%	80%	ADMIN	Total	Estimated # of units or beneficiaries:
Required Allocation, %	50%	25%	25%		100%	
Required Allocation, \$	\$4.5M	\$2.25M	\$2.25M	\$1M	\$10M	
Rental Gap Financing	2.50	1.25			3.75	85
Housing Stabilization Program	.55	.25			.8	250
Down Payment Assistance			.5 *		.5	80
Homeowner Assistance Program	1.25	.63	.32		2.2	80
For-Sale Acq/Rehab/Resale			1.25		1.25	20
Demonstration Program	.2	.12	.18		.5	50
Administration				1.0	1.0	565

* According to the legislation, Down Payment and Closing Cost Assistance can be used by households at or below 115% AMI.

Ms. Smith Perry stated based on Ms. Reese’s report the median balance stayed where it was originally, and the plan remained the same as the recommendation at the last meeting.

Ms. Deming asked about allocating more funds for eviction prevention. Is it possible to use some funds from the Administration line item?

Ms. Smith Perry stated that most of the HOF programs have just begun to operate and the URA needs more time to identify the staffing need for those programs. In a few months, the URA will have a better understanding of the administrative costs it will incur to administer the programs.

Ms. Walnoha stated there is an Eviction Prevention Task Force Committee and they are looking at some funding mechanisms and models. It would be beneficial to invite them into this discussion for their input.

RECOMMENDATION 14 (2019)

Sonya Tilghman made the motion for Item D. Recommend final approval of the 2019 Annual Allocation Plan. Lena Andrews seconded. Those in favor: L. Andrews, J Bey, R. Butler, K. Chintalapalli, J. Deming, T. Kail-Smith, M. Lane, M. Masterson, S. Su, S. Tilghman, D. Tillman A. Walnoha, and D. Walker. The motion carried.

E. **Recommend the approval of Rental Gap Program (RGP) funding for the Mellon's Orchard Development in the amount of \$690,000.**

Staff Report

On November 8, 2018, the URA issued an RFP for the Rental Gap Program. To date, there have been five awards: (1) the Centre Avenue YMCA development in the amount of \$600,000, (2) the Riverview Apartments Development in the amount of \$400,000, (3) the Observatory Hill Five Points Development in the amount of \$240,000, (4) the Residences at Wood Street Development for \$400,000, and (5) the Parkview Manor Development for \$200,000. At the May 2, 2019 HOF Advisory Board Meeting, the Advisory Board will review an RGP loan request for the Mellon's Orchard Development in East Liberty.

TREK Development Group (TREK) has formed a single-purpose entity, Mellon's Orchard Housing LLC, to acquire and develop a vacant site in East Liberty. The project will include 35 apartment units and 12 townhouses. The apartments include 25 one-bedroom and 10 two-bedroom units in a three-story walk-up building. The apartment building will also include a community room that will be available to all residents of the development. Six units will be accessible to individuals with mobility impairments and seven units will be accessible to individuals with sensory impairments. The townhouses are all one-bedroom units and will have live-work layouts for the potential for art related sales or gallery space. The project will meet Enterprise Green Communities Certification, including Energy Star requirements, with a green roof. There will be parking for 33 vehicles and bike racks will be available. Supportive services will be provided.

The Advisory Board's funding recommendations will be presented to the URA Board of Directors on May 9, 2019.

Mr. Miller stated that Trek Development is a for profit developer and as per the guidelines, there must be a non-profit applicant in partnership and they have reached out to the Coalition of Organized Residents of East Liberty (CORE). CORE will be assisting with Section 3 related activities for this project i.e., identifying Section 3 job opportunities, marketing them, and coordinating interviews between candidates and the developer to fill these positions.

The requested amount for Mellon Orchards LLC is \$690,000, and the staff recommendation amount is \$690,000. \$240,000 of these funds will be obtained from the 30% AMI allocation, and \$450,000 will be obtained from 50% AMI. There will be a zero percent interest loan or a rate that is determined by the tax credit equity provider. The affordability period for the HOF deed restricted units will be 35 years, and the mechanism will be a deed restriction on four units for 30% AMI & below, and on 20 units that are to be rented to households at 50% AMI or below.

The development will be in co-position with the URA RHDIP Rental Housing Development and Improvement Program loan which is coming from the URA's Housing Dept. The vast majority of the funding is from Low Income Housing Tax Credits at \$10,000,000. Also, there is a conventional PHFA loan for 1,500,000 and various other sources including PHFA's Pennsylvania Housing Affordability and Rehab Enhancement Fund (PHARE). Trek is also providing supportive services at Mellon Orchards, and have partnered with the National Initiative on Mixed-Communities at Case Western Reserve to create that service plan.

Representatives Sydney Connell and John Ginocchi, Trek Development, and Alethea Sims, Coalition of Organized Residents of East Liberty (CORE) are present.

Ms. Walker asked how the Penn Plaza Apartment residents were being contacted as to the potential availability of new rental units.

Ms. Sims stated that Penn Plaza Support and Action (PPSA) have done a great job reaching out to the residents. In addition, Crystal Jennings, CJ Consulting, has kept contact with prior residents. However, there should be a better way for the City and County to keep track of the residents so that they can re-enter the community that they have chosen as home.

RECOMMENDATION 15 (2019)

Diamonte Walker made the motion for Item E. Recommend the approval of Rental Gap Program (RGP) funding for the Mellon's Orchard Development in the amount of \$690,000. Jamil Bey seconded. Those in favor: J. Bey, R. Butler, K. Chintalapalli, J. Deming, M. Lane, A. Walnoha, and D. Walker. The motion carried. L. Andrews, M. Masterson, S. Su, D. Tillman & S. Tilghman abstained/left the table for the discussion in accordance with the Conflict of Interest policy.

F. Recommend the extension of the closing deadline from May 31, 2019 to August 31, 2019 for the Rental Gap Program (RGP) commitment in the amount of \$240,000 made to Observatory Hill Development Corporation for the Five Points Development.

Staff Report

At the January 7, 2019 HOF Advisory Board Meeting, via Recommendation 1 (2019), the Advisory Board recommended the approval of a Rental Gap Program (RGP) loan for the Observatory Hill Five Points Development to be developed by Observatory Hill Development Corporation (OHDC). The Recommendation had a commitment expiration date of May 31, 2019.

On April 8, 2019, Observatory Hill Development Corporation (OHDC) submitted a letter formally requesting an extension of the closing deadline. Observatory Hill Development Corporation has not yet received final construction bids. The requested 90-day extension will allow OHDC the time needed to obtain the final construction bid, finalize all financial commitments and prepare for the closing.

Ms. Smith Perry stated that the Advisory Board approved a loan for Observatory Hill Five Points Development which is expiring on May 31, 2019. They have had some difficulty getting a contractor and a final construction bid. Therefore, OHDC has requested an extension until August 31, 2019. Mark Fatla, Northside Leadership Conference was present to explain the delay.

Mr. Fatla stated when the project went out to bid there were either no bids or unrealistic bids on the mechanical, electrical and plumbing components. The RFP was originally set up as design-build for those elements. Subcontractors were not willing to put the time into a design-build process when they are not assured that they will receive the contract. Therefore, the design-build idea was eliminated, and the final plan with specifications will go out to bid this month. It is anticipated that the contractors will bid on the project with the specifications.

RECOMMENDATION 16 (2019)

Joanna Deming made the motion for Item F. Recommend the extension of the closing deadline from May 31, 2019 to August 31, 2019 for the Rental Gap Program (RGP) commitment in the amount of \$240,000 made to Observatory Hill Development Corporation for the Five Points Development. Kyle Chintalapalli seconded. Those in favor: J. Bey, R. Butler, K. Chintalapalli, J. Deming, M. Lane, A. Walnoha, and D. Walker. Theresa Kail-Smith abstained. The motion carried. L. Andrews, M. Masterson, S. Su, D. Tillman & S. Tilghman abstained/left the table for the discussion in accordance with the Conflict of Interest policy.

G. Recap – HOF Housing Resource Fair on April 30, 2019

Staff Report

Staff gave a summary of the Housing Celebration and Resource Fair held on April 30, 2019.

Ms. Hage thanked the Advisory Board members who attended the event and gave special thanks to Adrienne Walnoha for speaking on behalf of HOF and the Advisory Board. Also, thank you to Celeste Scott and Crystal Jennings for the turnout as well as URA staff and volunteers, the HOF team and the HACP. There were over 30 organizations present, and over 175 people attended the event.

Councilwoman Kail-Smith asked if the Resource Fair could be taken to other parts of the City.

Ms. Smith Perry stated it is desirable to do a version of the Resource Fair geographically. There will be an RFP issued for community outreach for different community outreach activities. Also, an Advisory Board member made the suggestion to have a Marketing Committee that could give input for these types of activities. Advisory Board members who volunteered to serve on this committee are: Joanna Deming, Mark Masterson and Diamonte Walker.

Ms. Hage stated that future HOF events are planned. There is a Carnegie library series in six different library locations. Also, there is representation of the HOF programs at homebuyer education course classes, and there will a HOF series at the public schools as well.

H. Quarterly Reports

Staff Report

Staff updated the Advisory Board on the Quarterly Reports that are produced.

Ms. Reese stated there are four components of the report being presented. The first is commitments and closings to date. Second is where the development projects are in their processes. The third is an MWBE update and the fourth is an update on the commitments that are broken down by the various income levels.

Commitments & Closings to Date are as follows:

Rental Gap Program - \$3,880,000 allocated; \$2,930,000 developer/org. proposals; \$2,510,000 committed; \$400,000 closed; \$1,370,000 remaining for developers /orgs.

Down Payment Closing Cost Assistance - \$750,000 allocated; \$60,000 committed; \$50,000 closed; \$690,000 remaining for households

Homeowner Assistance Program - \$2,380,000 allocated; \$2,600,000 developer/org. proposals; \$1,700,000 (orgs)/\$90,000 (households) committed; \$680,000 remaining for developers/orgs.; \$2,380,000 remaining for households.

Housing Stabilization Program - \$750,000 allocated; \$1,500,000 developer/org proposals; \$750,000 committed; \$750,000 remaining for households

For-Sale Development Program - \$1,250,000 allocated; \$1,960,000 developer/org proposals; \$1,250,000 remaining for developers/orgs

Totals - \$9,000,000 allocated, \$8,990,000 developers/org proposals; \$5,020,000 committed; \$450,000 closed; \$3,300,000 remaining for developers/orgs and \$3,820,000 remaining for households.

Project Progress

The Project Progress in the Rental Gap Program is as follows:

April – Riverview Towers closed; May – Est. closing for Parkview Manor (OPDC), June - Est. closing for Wood Street Commons, July – Est. closing for Centre Ave YMCA (ACTION-Housing); August - Est. closing for Five Points (OHDC).

M/WBE Report

All Rental Gap Program projects eligible for M/WBE monitoring are in good standing with URA Performance and Compliance.

The first Rental Gap Program project to close (Riverview Towers) will award 22% of their construction work to MBE contractors and 11% to WBE contractors.

Commitments by Income

The Commitments by Income are as follows:

Rental Gap program: 30% AMI - \$1,702,000 & 50% AMI - \$808,000; Down Payment Closing Cost Assistance: -50% AMI - \$7,500 & 80/115% AMI - \$47,500; Homeowner Assistance Program: 30% AMI up

to \$30,000 & 50% AMI up to \$60,000. Total dollars: 30% AMI - \$1,732,000, 50% AMI - \$875,500 & 80/115% AMI - \$47,500. Total percentages: 30% AMI - 65%, 50% AMI - 33% and 80/115% AMI - 2%.

Ms. Deming stated homeowners may have already gone through the application process with a provider and then are referred to another organization and will have to start the application process over again. Is there a way to have one application that all the providers would be able to access?

Ms. Smith Perry stated that this concept is being discussed specifically for the Housing Stabilization Program to determine if there can be a uniform system established with other providers. Also, it is hoped that this could be duplicated for other programs.

Mr. Miller stated the responses for the For-Sale Developer Program were due on Friday. The RFP was issued with the URA Neighborhood Stabilization Program. Nine organizations responded to the RFP representing 15 city neighborhoods. Some of the responses were for both programs. \$1,250,000 is available in the For-Sale Developer Program and \$2,000,000 through the NSP program. NSP has geographic limits and there are abandoned and foreclosed definitions for the program. The responses will be sorted by eligibility of the programs.

I. Governance Committee / HOF Advisory Board Update

Staff Report

Staff made a report regarding the open seats on the HOF Advisory Board.

Ms. Smith Perry stated that the HOF has not been operating as a 17-member Advisory board at present. Several members had a one-year term which expired on April 30. Members who are stepping down include: Richard Butler, Valerie McDonald Roberts and Leslie Springs. Also, the Fair Housing slot has been vacant with staff changes at the Fair Housing Commission. Those four vacancies will need to be replaced.

There is a process for the selection of Board members. The Mayor's office makes the recommendation and that recommendation goes to City Council. There have been people who have approached the URA that either want to be considered themselves or know of someone to fill a slot. When that happens, the information is given to the Mayor's office for their consideration.

Minutes from the Governance Committee which met on April 1 are included in your packets. There was a discussion of creating a process for bylaws and/or regulations for the Advisory Board. Also, how to find a process for selecting a Chair. The suggestion for electing a Chair is to establish a Nominating Committee. The selection of a Chair has been put on hold until the new members are named to the Advisory Board. The Governance Committee will continue to meet to discuss governance in general.

Derrick Tillman requested to join the Governance Committee.

J. Public Comment

Celeste Scott, a community liaison representative for Pittsburgh United and Pittsburghers for Urban Transit was happy to see all the organizations working together at the Housing Resource Fair and would like to see that type of communication continue.

K. Adjournment

There being no further business, the meeting was adjourned.