

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.

June 6, 2019 – 9:00 A.M., E.S.T.

Members Present: Messrs. J. Jackson, 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. Bey, R. Butler, K. Chintalapalli, V. McDonald Roberts, L. Springs, C. Torres

Staff Present: Messrs. E. Acosta (HOF Intern), D. Geiger, E. Miller, Mmes. J. Reese, J. Smith Perry, G. Taylor

**A. Public Comment**

No public comments were made.

**B. Roll Call**

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

**C. Review and Acceptance of Minutes from the May 2, 2019 Meeting**

The minutes of the Regular Board Meeting on May 2, 2019 were approved as written and previously distributed.

**D. Recommend the approval of For-Sale Development Program financing for the following developments:**

**Staff Report**

The FSDP increases the supply of affordable housing for homeownership and eliminates substandard housing by ensuring compliance with applicable codes and standards. URA HOF Staff released a Request for Proposals on March 27, 2019 to solicit responses from non-profit applicants to apply for both the HOF FSDP and the Neighborhood Stabilization Program (NSP). FSDP has \$1.25 M available in the 2018 HOF Allocation and there is approximately \$2M of Neighborhood Stabilization Program (NSP) funds available. Responses were due on April 26, 2019. The URA received responses for 62 properties totaling approximately \$3.6M in HOF, NSP, and other URA resources. URA / HOF staff reviewed the applications and are working with the non-profit applicants to obtain final construction bids, evidence of site control, etc. Projects will be presented for approval as they become “shovel ready.”

**Lawrenceville**

- 1. Grant Agreement with Lawrenceville Development Corporation and/or City of Bridges Community Land Trust in the amount of \$300,000 for the acquisition, rehabilitation, and resale of six scattered site units**

Lawrenceville Corporation (LC), in partnership with the new non-profit City of Bridges Community Land Trust, is acquiring, rehabbing, and reselling six homes as part of the Community Land Trust (CLT) project. This is the second phase of a CLT program in Pittsburgh, with the first involving the construction of six new homes and renovation of one.

A CLT is a tool that creates permanently affordable home ownership opportunities for individuals who have been fully priced out of the private market. Additionally, due to the structure of CLTs, these homes are guaranteed to be permanently affordable. Using a ground-lease, CLTs set a maximum resale price designed to give homeowners a return on their investment, while also ensuring that future homebuyers at the same income level have access to affordable homeownership. The FSDP grant in the amount of \$300,000 is being used with other public and private grants to bridge the difference between total development cost and the future sales price to the borrower.

Mr. Miller stated that Lawrenceville Community Land Trust Phase II consists of six properties throughout central and lower Lawrenceville. The construction timeline is late summer. The requested amount for the Lawrenceville Corporation is \$300,000 which is the maximum amount per the guidelines, and totals \$50,000 per unit. The staff recommendation amount is \$300,000 in the form of a grant, and the affordability period will be for 99 years. The sales prices will be \$130,000. There are market rate comparable properties in the neighborhood that are in the \$300,000 range.

The total development cost of the project is \$1,700,000. Financial sources outside of HOF funding consist of a conventional bank loan, and an Urban Development Action Grant (UDAG) loan and Pittsburgh Housing Construction Fund (PHCF) loan from the URA's Housing Dept. There is a request for PHFA's Pennsylvania Housing Affordability and Rehab Enhancement (PHARE) funds as well as a request to the Hillman Foundation. The MWBE narrative has been approved by the Performance and Compliance dept. at the URA.

Ed Nusser, Lawrenceville Corporation was present. Mr. Nusser thanked the Advisory Board, URA Board and the allies who helped to bring this money into creation. In addition, the Hillman Foundation request was awarded yesterday for this project, and the PHARE funds were awarded in last year's PHARE round.

Ms. Walnoha stated one of the things that is important about this project is that it also aligns with the inclusion zone conversation in making sure that there is a different level of economic diversity in Lawrenceville which is going to be really impactful.

#### **RECOMMENDATION 17 (2019)**

**Adrienne Walnoha made the motion for item D-1. Grant Agreement with Lawrenceville Development Corporation and/or City of Bridges Community Land Trust in the amount of \$300,000 for the acquisition, rehabilitation, and resale of six scattered site units. The financial commitment will expire on October 4, 2019 if the construction/financial closing has not taken place. Joanna seconded. Those in favor: L. Andrews, J. Deming, J. Jackson, M. Lane, Diamonte Walker and A. Walnoha. The motion carried. M. Masterson, S. Su, D. Tillman & S. Tilghman abstained/left the table for the discussion in accordance with the Conflict of Interest policy.**

## Hill District

**2. Grant Agreement with Hill Community Development Corporation in the amount of \$85,000 for the acquisition, rehabilitation, and resale of 2517 Mahon Street and 522 Landleiss Place**

**3. Deferred Mortgage Agreement with Hill Community Development Corporation in the amount of \$50,000 for the acquisition, rehabilitation, and resale of 2517 Mahon Street and 522 Landleiss Place**

2517 Mahon Street and 522 Landleiss Place are owned by the Hill Community Development Corporation (Hill CDC). The Hill CDC plans to rehabilitate them and resale them for homeownership to homebuyers less than 80% AMI. These two units are part of the Hill District 100. The Hill District 100 is an initiative of the Hill CDC that embraces the Hill District's rich cultural legacy while advancing revitalization. The Hill District 100 provides relevant and meaningful education and support to potential home buyers to systematically grow the Hill District, increase wealth and transform the community. The FSDP grant in the amount of \$85,000 is necessary to bridge the difference between total development cost and the future sales price to the borrower. Additionally, the commitment of second deferred mortgage funding in the amount of \$50,000, or \$25,000 per unit, will enable the units to be affordable to a household underneath 50% AMI if buyers are at that income level. It is a requirement of the HOF FSDP program that the buyers be below 80% AMI.

Mr. Miller stated the two properties are located in the Middle and Upper Hill and are owned by the Hill CDC. Sales prices are going to be affordable to families at or below 80% AMI. In addition, with second deferred mortgages available, the affordability level may attract 50% AMI buyers. The requested amount is \$85,000 which is \$42,500 per unit in the form of a grant for acquisition, rehabilitation and resale of the units. Also, there will be \$50,000 in deferred second mortgages for both properties. The affordability period is a deed restriction for 99 years. The total development costs are \$313,000. The Hill CDC has a line of credit with PNC as well as support of the Local Initiative Support Corporation (LISC). The MWBE narrative has been approved by the Performance and Compliance Dept. at the URA.

David Serbin & Carina Guinto, Hill CDC were present. Mr. Serbin stated that there is a strong minority and women business entity hiring program for contractors which is almost primarily women and minority businesses. In addition, there is the Hill District 100 program which is currently at 245 members. These are people who are interested in homeownership.

Ms. Andrews asked when rehabs are evaluated if the accessibility level is determined as there may be a need for a ramp and/or other accessible improvements and can public funds be used for that?

Ms. Smith Perry stated there is a grant program at the URA's Housing Dept. which is the Home Accessibility Program for Independence (HAPI) for homeowners where they can receive up to \$10,000 for accessible improvements.

Ms. Walker asked for information regarding weatherization. One of the things that is a concern with people moving into homeownership is the cost of utilities. While the mortgages might be affordable, a lot of people are going from not paying electric, gas and water and will now have to do so as a homeowner. Are there tools available to help with weatherization so that people don't have high heating costs?

Ms. Smith Perry stated that Action Housing has a weatherization program. However, staff can look into creating partnerships so that these types of issues can be addressed in the very beginning. Also, the City is working with Neighborhood Allies to have financial counselors in every neighborhood. They are free and open to the public. People can receive up to 8 hours with the financial counselors. The URA has a Pittsburgh Home Rehabilitation Program (PHRP) that has an energy efficiency component if people choose to have that performed when they are applying for the loan.

#### **RECOMMENDATION 18 (2019)**

**Joanna Deming made the motion for Item D-2. Grant Agreement with Hill Community Development Corporation in the amount of \$85,000 for the acquisition, rehabilitation, and resale of 2517 Mahon Street and 522 Landleiss Place. The financial commitment will expire on October 4, 2019 if the construction/financial closing has not taken place. Majestic Lane seconded. Those in favor: L. Andrews, J. Deming, J. Jackson, M. Lane, D. Walker and A. Walnoha. The motion carried. M. Masterson, S. Su, D. Tillman & S. Tilghman abstained/left the table for the discussion in accordance with the Conflict of Interest policy.**

#### **RECOMMENDATION 19 (2019)**

**Diamonte Walker made the motion for Item D-3. Deferred Mortgage Agreement with Hill Community Development Corporation in the amount of \$50,000 for the acquisition, rehabilitation, and resale of 2517 Mahon Street and 522 Landleiss Place. The financial commitment will expire on October 4, 2019 if the construction/financial closing has not taken place. Jerome Jackson seconded. Those in favor: L. Andrews, J. Deming, J. Jackson, M. Lane, D. Walker and A. Walnoha. The motion carried. M. Masterson, S. Su, D. Tillman & S. Tilghman abstained/left the table for the discussion in accordance with the Conflict of Interest policy.**

#### **Oakland**

- 4. Grant Agreement with Oakland Planning and Development Corporation in the amount of \$140,000 for the acquisition, rehabilitation, and resale of 3387 Parkview Avenue and 224 Robinson Street**
- 5. Predevelopment Loan Agreement with Oakland Planning and Development Corporation in the amount of \$72,000 for predevelopment activities related to the new construction of 5 affordable for-sale units on Frazier Street**

The Oakland 2025 Master Plan established a vision of a sustainable future for Oakland through an intensive community engagement process. One of the main goals the community identified during this process was to provide innovative, sustainable housing choices for diverse residents. Specific recommendations included diversifying and stabilizing Oakland's housing, developing and maintaining affordable housing, rehabilitating and preserving existing homes, and encouraging homeownership.

The Oakland Community Land Trust is part of OPDC's equitable development strategy to address these goals. OPDC plans to have 50 lease hold properties in the CLT within the next five years and, ultimately, 100 CLT properties across all target areas. OPDC has been working diligently with community members

and other partners over the last few years to establish the CLT. They have held multiple community meetings about the Oakland CLT and talked with numerous residents and community groups.

3387 Parkview Avenue is currently owned by OPDC and 224 Robinson Street will be purchased by OPDC from a private owner. OPDC plans to rehabilitate them and resale them for homeownership to homebuyers less than 80% AMI. The Community Land Trust will own the land and the homebuyers will own the structures. When the houses are resold, they must be resold to households at or below 80% AMI. The FSDP grant in the amount of \$140,000 and the PHCF Grant in the amount of \$20,000 are necessary to bridge the difference between total development cost and the future sales price to the borrower.

The FSDP Predevelopment loan in the amount of \$72,000 is being requested to purchase land, obtain construction drawings, and complete other predevelopment activities necessary to build 5 new affordable Community Land Trust units on the Frazier Street site. OPDC will spend 2019 and the first half of 2020 completing predevelopment activities. It is anticipated that the construction of the development will begin in the third quarter of 2020.

Mr. Miller stated this development is in two parts. One part is for the rehabilitation of two existing single-family homes, and the second part is pre-development financing for five affordable homes to be constructed on Frazier Street in South Oakland. The rehabs are located on Parkview Avenue and Robinson Street. There are some items in the houses that need to be brought up to modern livable standards. The pre-development loan to OPDC is for Frazier Street that will be used to help with demolition, architectural services, and engineering work. Construction is anticipated to begin in the Spring of 2020. All of the homes will be permanently affordable, and part of the Community Land Trust.

The anticipated sales prices are affordable to households at or below 80% AMI. One unit on Frazier Street will be affordable to households at or below 50% AMI. The sales prices are \$140,000 and the 50% AMI unit is anticipated to sell at \$100,000. The requested amount is \$212,000 but that is because there are two different forms of financing. \$140,000 is a grant that would go towards the two rehabs on Parkview and Robinson at \$70,000 for each unit. \$72,000 is a predevelopment loan for the five units on Frazier street which totals \$14,400 per unit. The affordability period for all seven of these units will be 99 years. Total development costs are at \$620,000.

In addition to the HOF funds, there is a grant from URA's Housing Dept. and revolving funding from the Oakland Development Fund which is a source that is set up by institutions in the neighborhood that lend at a lower interest rate. The MWBE narrative has been approved by the Performance and Compliance Dept. at the URA.

Elly Fisher, Oakland Planning and Development Corporation was present. Ms. Fisher stated that the funds being requested will be used for acquisition, rehabilitation and the resale of two units on Parkview and Robinson. In addition, funds are being requested for the pre-development of five units located on Frazier Street. OPDC has completed work on Frazier Street in the past, and it is a good area for development as there is a variety of new construction and older homes.

#### **RECOMMENDATION 20 (2019)**

Diamonte Walker made the motion for Item D-4. Grant Agreement with Oakland Planning and Development Corporation in the amount of \$140,000 for the acquisition, rehabilitation, and resale of 3387 Parkview Avenue and 224 Robinson Street. The financial commitment will expire on October 4, 2019 if the construction/financial closing has not taken place. Lena Andrews seconded. Those in favor: L. Andrews, J. Deming, J. Jackson, M. Lane, Diamonte Walker and A. Walnoha. The motion carried. M. Masterson, S. Su, D. Tillman & S. Tilghman abstained/left the table for the discussion in accordance with the Conflict of Interest policy.

#### **RECOMMENDATION 21 (2019)**

Diamonte Walker made the motion for Item D-5. Predevelopment Loan Agreement with Oakland Planning and Development Corporation in the amount of \$72,000 for predevelopment activities related to the new construction of 5 affordable for-sale units on Frazier Street. The financial commitment will expire on October 4, 2019 if the predevelopment financial closing has not taken place. Lena Andrews seconded. Those in favor: L. Andrews, J. Deming, J. Jackson, M. Lane, Diamonte Walker and A. Walnoha. The motion carried. M. Masterson, S. Su, D. Tillman & S. Tilghman abstained/left the table for the discussion in accordance with the Conflict of Interest policy.

- E. Recommend the inclusion of a Roof-A-Thon program in an amount up to \$250,000 to be included as part of the Homeowner Assistance Program in the 2018 funding year.

#### **Staff Report**

Ms. Smith Perry stated the idea of holding a Roof-A-Thon happened as the result of roof repair being a major issue in the City of Pittsburgh. The applications that have been received for the Homeowner Assistance Program (HAP) normally need roof repairs or replacement. The URA has had discussions with potential funders but was not able to secure funding at this time. Therefore, the proposal is to do a small version of the Roof-A-Thon which will be held in September. The format is to have approximately 25 roofs replaced in a two-week period. There is a staff recommendation to set aside \$250,000 of the 2018 HAP funding to source the Roof-A-Thon. This will include issuing an RFP for a construction manager to identify subcontractors and the labor needed to do 25 homes in a two-week period. If the Advisory Board agrees with the proposal, the HAP guidelines can be revised to add a paragraph about a roof being granted for the purpose of the Roof-A-Thon. There needs to be more clarification on whether donations could be accepted and what that would involve as well as other funding sources. Staff will look into this further.

#### **RECOMMENDATION 22 (2019)**

Sonya Tilghman made the motion for Item E. Recommend the inclusion of a Roof-A-Thon program in an amount up to \$250,000 to be included as part of the Homeowner Assistance Program in the 2018 funding year. Derrick Tillman seconded. Those in favor: L. Andrews, J. Deming, J. Jackson, T. Kail-Smith, M. Lane, M. Masterson, S. Su, S. Tilghman, D. Tillman, D. Walker and A. Walnoha. The motion carried.

**F. Recap – May 31, 2019 Down Payment and Closing Cost Assistance Press Release**

**Staff Report**

Ms. Smith Perry thanked Advisory Board members who were present at the Down Payment and Closing Cost Assistance press conference. Natalie Perko received Down Payment and Closing Cost Assistance for the purchase of her home in Brighton Heights.

**G. Governance Committee / HOF Advisory Board Update**

**Staff Report**

Ms. Smith Perry stated the Mayor's office is making nominations for the open seats on the Advisory Board, and they will go to City Council for approval. The Chair nomination process is slated for June-July once the new members are identified. By August 1, there will be a Nominating Committee which will work to nominate the Chair and Vice Chair of the Advisory Board. It is the goal to have that person working with the URA in September and to Chair the Advisory Board meeting in October.

Ms. Deming asked if there are going to be goals for the chair.

Ms. Smith Perry stated the Committee has started to work on those goals and will continue to build on that conversation.

**H. Acceptance of Qualifications (RFQ) for Appraisal Services**

**Staff Report**

Ms. Smith Perry stated that an RFQ was issued for appraisal services. There was only one response which was from John Dudash. A contract with Mr. Dudash for appraisal services will be presented to the URA Board in June. However, the RFP will be placed on the website on a rolling basis so that appraisers can apply any time.

**I. Acceptance of Qualifications for Printing Services**

**Staff Report**

Ms. Smith Perry stated that there was an RFQ issued for printing services. Two responses were received from CDI Printing and Minuteman Press. They will be going to the URA board to form a slate of printing services.

**J. Update on the Housing Stabilization Program**

**Staff Report**

Ms. Reese stated for the past couple of months the internal processes have been developed for the URA to administer the HOF. This included creating the following development goals:

1. Help households as quickly as possible
2. Set up households for success
3. Make sure housing is safe and secure
4. Plug into social service networks
5. Support service providers
6. Evaluate outcomes and impacts

Strategies have been developed for the HSP process needs which include: Intake, Assessment & Verification, Inspection, Payment, Reimbursement, and Follow-up

The steps taken to date are:

1. Met with all service providers
2. Reviewed intake processes and information needs
  - a. Service providers
  - b. National models
  - c. HOF program requirements
3. Developed process and materials

Tools that have been developed are:

1. Intake forms
2. Online forms and process management
3. Internal documentation tools
4. Outcome and impact analysis tools

#### **K. Public Comment**

Celeste Scott, a community liaison representative for Pittsburgh United, stated that many Pittsburgh residents are ready for the Homeowner Assistance Program and Tangled Title Assistance. In addition, it is hoped that the Advisory Board's open tenant seat is filled with someone who can sincerely represent the tenants in the City.

Councilwoman Kail-Smith made a recommendation to contact Paul Gitnik, a resident of Mt. Washington who has said that UPMC is interested in a mobile unit that would go into the neighborhoods to help people with tangled title assistance for free. If there is a way to save money and help people in their own neighborhoods, then that should be implemented.

Alethea Sims, Coalition of Residents of East Liberty (CORE), stated CORE is a neighborhood non-profit organization. TREK Development partnered with CORE in order to be eligible for the funds they received. However, it would be helpful to make sure that the non-profit that is partnering in a project is going to be an equal and contributing partner.

**L. Adjournment**

There being no further business, the meeting was adjourned.