

Minutes of the Regular Meeting of the Housing Opportunity Fund Advisory Board of the Urban Redevelopment Authority of Pittsburgh, 200 Ross Street, Pittsburgh, PA 15219.

July 3, 2019 – 9:00 A.M., E.S.T.

Members Present: Messrs. J. Bey, J. Jackson, M. Lane, M. Masterson, S. Su, D. Tillman, Mmes. L. Andrews, J. Deming (phone), D. Walker, A. Walnoha (phone),

Members Absent: R. Butler, K. Chintalapalli, T. Kail-Smith, V. McDonald Roberts, L. Springs, S. Tilghman, C. Torres

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

A. Public Comment

Crystal Jennings, CJ Consulting and a contractor through Pittsburgh United stated that she was happy to have the Roof_A_Thon on the horizon and would like to see more contributors to the cause next year.

B. Roll Call

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

C. Review and Acceptance of Minutes from the June 6, 2019 Meeting

The minutes of the Regular Board Meeting on June 6, 2019 were approved as written and previously distributed.

D. Recommend the approval of Rental Gap Program (RGP) funding for the Lemington Home Development in the amount of \$650,000. The commitment will expire on November 3, 2019.

Staff Report

On November 8, 2018, the URA issued an RFP for the Rental Gap Program. To date, there have been six 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, (5) the Parkview Manor Development for \$200,000, and (6) the Mellon's Orchard Development for \$690,000. At the July 3, 2019 HOF Advisory Board Meeting, the Advisory Board will review an RGP loan request for the Lemington Home Development in Lincoln Lemington.

This project involves the adaptive reuse of the former Lemington Home for the Aged, located on a 6.68 acres site at 1625 Lincoln Avenue in the Lincoln-Lemington-Belmar neighborhood of the City of Pittsburgh. The project will create a mixed-use development including 54 one-bedroom-units of senior housing with complimentary commercial uses on the first-floor coupling housing and health.

This building was developed in 1982 as a nursing home but has sat vacant since going into foreclosure over a decade ago. The redevelopment plan includes replacement of major building improvements including changing the existing HVAC system from PTAC to more energy efficient VTAC units, new building

envelope, site improvements and storm water management, the provision of additional on-site parking (including 8 accessible spaces), and the creation of separate entrances for residents and commercial tenants.

The Advisory Board's funding recommendations will be presented to the URA Board of Directors on July 11, 2019.

Mr. Miller stated the Lemington Senior Development will be a mixed-use development of 54 one-bedroom units for senior housing with commercial uses on the first floor that will complement the housing component. In addition, health services will be coming into the building once it is completed. The redevelopment is a complete renovation of all the major building systems, HVAC, various site improvements, storm water management improvements and additional parking. The project overall has 54 units which will be affordable to at least 50% AMI. Ten of the units will be affordable to tenants at or below 30% AMI. The balance of 44 units will be rented at or below households at 50% AMI. The requested amount for the Lemington Senior Development is \$750,000. The staff recommendation amount is \$650,000. Of the \$650,000, \$400,000 will be taken from the 2018 30% set aside, and \$250,000 will be from the 50% set aside. This will be a cashflow loan made to the borrower with an interest rate of 0% or a rate that is determined by the tax credit equity investor with a term of 35 years. The collateral will be subordinate lien position on the physical property at 1625 Lincoln Avenue. The affordability period will run parallel to the term of the loan for 35 years which also mirrors the use restriction from PHFA as well as this being a LIHTC deal. Affordability will be ensured with a deed restriction that is recorded at the closing of the loan.

Other financing sources are as follows: Redstone First Mortgage \$4,500,000; HACP Second Mortgage – Amortizing - \$2,700,000; HACP Third Mortgage – Cash Flow - \$1,284,900; Low Income Housing Tax Credit Equity - \$4,448,428, Deferred Development Fee - \$394,752 and East Liberty Family Health Care Center Grant - \$1,000,000.

The closing is expected to occur in September or October. As requested at the last meeting, the Use of Funds include: Hard costs - \$10,387,687; Fees - \$775,890; Miscellaneous Development Expenses (Cost Certifications, Common Area Furnishings, Credit Reservation Costs, Utility Tap, Hook Up - \$240,020; Construction & Permanent Loan Financing Charges – \$766,054; Acquisition and Holding Costs - \$726,394; Reserves and Developer Fee - \$1,889,737 and Syndication Fees & Expenses - \$192,298.

Ralph A. Falbo Inc. is a for profit developer, and as per the HOF program guidelines, there must be a non-profit applicant. They have partnered with Lemington Residential Corporation, LRC which is part of the managing partners of the neighboring Eva P. Mitchell apartments which are also apartments for seniors. Part of the application that was submitted by Ralph A. Falbo and Redo 1625 LP was a statement of partnership principles between the two, and the supportive services that are going to be offered on the site.

The first-floor base will be a primary health care center operated by East Liberty Family Health Care. Additional space will be leased by SarahCare, an Adult Day Center which promotes independent living. Both resources are going to be available to residents on site as well as the surrounding community. Lemington Senior Development will provide a service coordinator to act as a liaison between the building

residents and the first floor uses. In addition, the service coordinator as part of their agreement with Eva P. Mitchell apartments will also make the resources known to the residents of the neighboring development as well.

The project MWBE narrative has been received and approved by the URA Performance and Compliance Dept.

Jennifer DiNardo and Mike Polite from Ralph A. Falbo, Redo 1625 were present.

Mike Polite, Chief Executive Officer of Ralph Falbo Inc. stated there have been discussions with the Lemington Residential Corporation about the concept, and there is a good relationship with the neighbors. In addition, the independent services will be available to everyone. This will provide people with the ability to be able to age in place.

RECOMMENDATION 23 (2019)

Jerome Jackson made the motion for Item “Recommend the approval of Rental Gap Program (RGP) funding for the Lemington Home Development in the amount of \$650,000.” The commitment will expire on November 3, 2019. Majestic Lane seconded. Those in favor: J. Bey, J. Deming, J. Jackson, M. Lane, D. Walker and A. Walnoha. The motion carried. L. Andrews, M. Masterson, S. Su, & D. Tillman abstained/left the table for the discussion in accordance with the Conflict of Interest policy.

E. Update: Roof-A-Thon

Staff Report

Ms. Smith Perry stated the RFP for a construction manager for the Roof A Thon was due last Friday. One response was received. It was anticipated that more responses would have been received. The response that was received will be reviewed, and it will be determined whether this can move forward or if the RFP needs to be reissued.

F. Update: 2018 Annual Report

Staff Report

The 2018 Annual Report has been finalized and was released on June 28, 2019 in accordance with HOF legislation. The report is available online at ura.org/pages/hof. Hard copies are available upon request.

G. Update: 2018 Audit

Staff Report

Ms. Smith Perry stated the audit was finalized and was released on June 28, 2019. It is available online at: ura.org/pages/hof.

Mr. Masterson asked how the Administration line item is budgeted?

Ms. Smith Perry stated that the Administration line is budgeted in the funding year. However, the URA budget is by calendar year, and now that the HOF programs are in existence, the URA is determining how many staff should bill to the HOF funding source and for an average of how many hours.

RECOMMENDATION 24 (2019)

Majestic Lane made the motion to accept the “2018 Audit”. Diamonte Walker seconded. The motion carried.

H. Program Updates, Expenditures, and Impacts

Staff Report

Ms. Reese summarized the monthly expenditure report for the Advisory Board. She described increases in expenditures for the Down Payment Program and updated the Board on recent commitments for the Rental Gap Program and the For-Sale Development Program. She also noted that the first \$9,000 was committed for the Housing Stabilization Program (HSP). Ms. Reese also showed a map showing the geographic diversity of the programs.

Ms. Hage stated the HSP is the process of opening its doors. Mercy Life Center Corporation was the first organization to be onboarded last week. The other organizations will be onboarded throughout July and August. As the services that Neighborhood Legal Services provide are different than the other organizations, it is hoped that they are onboarded by mid to late August.

The HSP process is divided into five phases. The process is as follows: Initial Contact; Intake; Inspection; Payment and Follow-Up. The intake phase requires a one-on-one appointment with the service provider. If they meet the eligibility requirements and have all the required documentation at the time of the appointment, they can request an inspection to be done. Charles Hudson is the HSP inspector. One applicant has gone through the program going through all the phases except for the follow-up which comes at the one, three, and six-month mark.

Mr. Tillman asked what the estimated timeframe is to get someone processed through once the administrative side is completed.

Ms. Smith Perry stated it is the goal to be able to offer assistance within two or three days. That is the reason why it is important to have the process in place. Some of the organizations need to be trained on HMIS, which is the Homeless Information Management System. The URA and the Service Providers have received many phone calls from people inquiring about this program.

Ms. Reese stated that based on the calls, Service Providers will identify as many candidates as possible who would be a best fit for the HSP program. If there is someone phoning in who has a chronic issue, there may be other programs that are a better fit for them.

Ms. Walker stated if the program is not officially available, what is causing all the phone calls? Is it because of the Advisory Board meetings and people know that it is being planned? What is the impetus for so many people calling in for something that doesn't exist? Additionally, is staff prepared to take on that

influx with the level of marketing out there? The concern is that the program does not yet have capacity and the outreach is going out before the infrastructure is in place.

Ms. Smith Perry stated Pittsburgh United has been out canvassing and marketing the program.

I. Small Landlord Fund Update

Staff Report

Ms. Smith Perry stated that as part of the allocation plan discussions and the public meetings that were held for both the 2018 and the 2019 allocation plans, one comment that was heard a lot was the need for a program for Small Landlords that have 1 to 4 units. The PNC Foundation is going to give the URA a Program Related Investment (PRI) at a low interest rate and it will be relent to landlords who fail Section 8 inspections that the HACP refers to the URA. The landlords must agree to rent the units affordably with deed restrictions for a 5 to 10-year affordability period. The loans would be between \$5,000-20,000 per rental unit to make the repairs necessary to pass Section 8 inspections.

J. Community Outreach Update

Staff Report

Ms. Hage stated it is a priority of the HOF dept. to be in the public and connecting with the people in the area. There have been visits at various Farmer's Markets throughout the city as well as the public libraries. HOF has attended various community events and is trying to target outreach to the areas that have not been covered. If there are any events that the Board is aware of and would like someone to attend, please let Vethina know. Also, there are flyers translated into five different languages so that language isn't a barrier to be able to access the programs.

Ms. Smith Perry stated there is a need to make sure that everyone knows what HOF is, but there is also the need to disburse accurate information about the programs.

Resource materials were e-mailed to the Advisory Board. There was a chart that reflects both the HOF and other URA programs. Also attached was a document that lists not only all URA programs, but the HACP Homeownership Program and Section 8 Program, some of our partners and their programs, and the Allegheny County link hotline.

K. Public Comments

Bob Damewood, Regional Housing Legal Services, thanked the Advisory Board for the work that has been done and for the Small Landlord Program, and would like to encourage that the program either require or incentivize landlords to accept Section 8 vouchers.

Swain Uber, stated that outreach will be key for the Small Landlord Program because of the need to reach landlords who may not even be thinking about this or maybe have tried but don't meet the Section 8 requirements.

Celeste Scott, a community liaison representative for Pittsburgh United and Pittsburghers for Urban Transit, stated that people are realizing that the HOF is a one stop shop with a lot of resources.

Alethea Sims, Coalition of Residents of East Liberty (CORE), requested the list of resources that was emailed to the Advisory Board. Being part of a community organization, people are always asking for help, and it would be beneficial to be able to direct them.

Jay Dworin, Fair Housing Partnership, asked if questions have been posed about the impact of the HOF as related to segregation and integration, and concentrations of the protected classes. As an Advisory Board, is there any data or information on the impact of the programs that are being planned related to concentrations of race, and other protected classes? One of the obligations of being good stewards of the people's money is to ensure that you are looking at how the dollars spent are related to those questions.

L. Adjournment

There being no further business, the meeting was adjourned.