

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

November 7, 2019 – 9:00 A.M., E.S.T.

Members Present: Messrs. J. Bey, K. Build-Hudson, M. Lane (phone), M. Masterson, S. Su, Mmes. L. Andrews, J. Deming, E. Johnson, S. Tilghman, D. Walker, A. Walnoha , K. Ware-Seabron, M. Winters (phone)

Members Absent: J. Jackson, M. Lane, T. Kail-Smith, D. Tillman

Staff Present: Messrs. J. Carter, D. Geiger, D. Kendall-Morris, E. Miller, Mmes. B. Benjamin, V. Hage, J. Reese, J. Smith Perry, G. Taylor, S. Taylor

A. Public Comment

Kadiata Conte Forte, Highland Park resident, stated when she applies for grant money, she doesn't receive it because of her income. She has almost lost her house three times. She is asking the HOF to look at people like her who need help.

Tina Evans, resident, stated throughout the years her income has changed, and it is hard to keep up with the maintenance of her home. She has a son and disabled partner and is a little bit over the qualification guidelines to receive help from the HAP program and asks that the Advisory Board consider putting more in the budget to help someone like her to be able to stay in their home.

Mary E. Fearbry, resident, stated there are significant matters that need to be addressed in her home and she can't take care of those things. In addition, she has a disabled daughter living with her. She has been applying for grants to try to get her house in condition where her daughter will be in a safe environment when she is gone. She is a little bit overqualified for the programs. It's impossible for her to come up with the money to get the things done that she needs and to have the house stay viable. There are a lot of people in this position and it would be a good thing if you look into helping people in that position.

Carolyn Wilson, resident, stated that the income guidelines look at her gross income which is not what she takes home. She doesn't have enough money to make the major repairs that she needs for her home. She doesn't know how close she is to the cap, but feels she is under the cap because of what she takes home. She is here to speak to see if there can be an increase to the funding to help her and the investment she has in her home.

Celeste Scott, a community liaison representative for Pittsburgh United and Pittsburghers for Urban Transit, asked if there is a way to consider when people have utility bills, childcare & other things that put people in a situation to need help. Also, the allocation plan process was only online and there are people who may not have online access to be able to retrieve that survey. In addition, it is hoped that the City's Edge development terms of affordability will continue to be for 99 years.

Raymond Moore, Education Outreach Coordinator, Fair Housing Partnership, stated the FHP was invited to present at last month's meeting but was not given sufficient notice to prepare. To date, FHP hasn't received any follow up requests for a presentation to the HOF. In addition, they find it disappointing that the HOF's agenda was only provided to the public this past Tuesday. The 48-hour notice of the agenda and lack of supporting documentation creates an environment that doesn't provide fair housing feedback in respect to the agenda. The FHP wants to ensure that HOF is meeting FHA obligations by effectively receiving input from FHP. FHP anticipates the hiring of two new fair housing staff to the Pittsburgh field office as HUD sees the need to bring a fair housing presence back to Pittsburgh. Upon their appointments, FHP would like to be able to discuss the fair housing impact of HOFs decisions and hopes that HOF will partner with them.

Ms. Smith Perry stated that a lot of the things that were discussed in the public comment will be addressed throughout the agenda. In addition, the HOF would like to have the FHP speak, but the agenda was very full this month. FHP will be contacted in the upcoming month. The FHP staff has met with Jamie Reese who provided a lot of the information that has been requested and will continue to do so.

Thank you to the homeowners who came to speak. The Homeowner Assistance Program (HAP) is capped at 50% AMI which is the way that the allocation plan for the last two years has provided funding, with the exception of water and sewer line emergency repair. The URA is aware of the homeowner issues and are looking into the matter.

B. Roll Call

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

C. Review and Acceptance of Minutes from the October 3, 2019 Meeting

The minutes of the Regular Board Meeting on October 3, 2019 were approved as written and previously distributed. Jamil Bey and Sonya Tilghman abstained.

D. Downtown Winter Homeless Shelter – Recommend the approval of Demonstration Program funding in the amount of \$200,000 for the redevelopment of the Downtown Winter Homeless Shelter. The commitment will expire on March 1, 2020.

Staff Report

The Downtown Winter Homeless Shelter is located at 620 Smithfield Street, Pittsburgh PA, 15222 in the Smithfield United Church of Christ building. It is a cold weather shelter and is open from the middle of November through the end of March. The shelter houses 20 women and approximately 100 men on any given night. In order for the shelter to open for the 2019 – 2020 winter season, there needs to be repairs done to the building. Primarily, the sprinkler / fire system needs replaced, the bathrooms need upgraded, and there needs to be additional accessible improvements.

The requested HOF Demonstration Program financing will match funding from several foundations. The Advisory Board's funding recommendations will be presented to the URA Board of Directors on December 5, 2019.

Mr. Carter stated the project with Smithfield United Church of Christ and Action Housing is known as the Winter Shelter or the cold weather shelter downtown. Smithfield United Church has been the host for the cold weather shelter for 20 years. This year it was close to being shut down because of some code and health concerns. The Pittsburgh community came together, and there are three foundations that pledged support to help get the shelter to stay in condition and be able to open on time on November 15 running through March. The shelter is open to over 100 people on any given night to help people stay off the streets in the winter. The estimates for repairs are at \$400,000 to have the place up and running and to pass code to have the shelter open on time. That also includes long term repairs that will go on for the next nine months that will essentially make sure that this space is up to code for many years to come.

Pittsburgh Mercy Operation Safety Net operates the services of the shelter and Allegheny County Department of Human Services provides the operating funding. With the \$400,000 that is needed, two foundations have pledged \$200,000 and a third is pending. In this proposal, they are asking HOF for a \$200,000 deferred, 0% interest loan.

Ms. Smith Perry stated that the wording in the agenda calls the proposed financing a deferred loan and/or grant. HOF is working with the church to see if the loan can be recorded. By recording the loan, if the church sells, there is a chance that funds will be repaid. The URA attorneys are working on this and the URA doesn't want to have a delay if the funds need to be in the form of a grant so that the shelter can move forward.

Brian Matous, Pittsburgh Mercy, Homeless Services Supervisor was present. Mr. Matous stated when the winter shelter opened up, it only used to be open on nights where it was freezing. However, two years ago, the model was switched so the shelter would be open from November 15 to March 15. This helped to create some consistency to help people and not just be a system that was there to keep people warm or keep them from dying from frostbite. An emergency shelter is really important and is part of a healthy community. We are not going to ever end homelessness. There is always going to be struggle, but we can create a system that is there to help address the issues that cause the homelessness.

Ms. Smith Perry stated there is no guarantee that this shelter will remain at this location for a long period of time. The financing is part of the demonstration program line item. The purpose of demonstration funds is to address emergency situations that could cause displacement. It's very important to help the shelter become operational for this year. Also, URA legal staff looked into whether or not the URA could lend to a church. It was decided that because the purpose of the funding is for non-religious purposes that it would be permissible.

RECOMMENDATION 35 (2019)

Adrienne Walnoha made the motion for D. Downtown Winter Homeless Shelter – the approval of Demonstration Program funding in the amount of \$200,000 in a grant/loan depending on the criteria

that are met going forward to ensure that the Downtown Winter Homeless Shelter at 620 Smithfield Street will be able to operate. The \$200,000 will be used in partnership with Action Housing in order to provide the necessary rehabilitation to the site. The final amendment is to have a deferred second mortgage, but if necessary, a grant would be acceptable to move forward. The commitment will expire on March 1, 2020. Sonya Tilghman seconded. Lena Andrews abstained/left the table for the discussion in accordance with the Conflict of Interest policy.

E. Robinson Street Development – Recommend the approval of a For-Sale Development Program Grant in the amount of \$70,000 for 223 Robinson Street.

Staff Report

Oakland Planning & Development Corporation (OPDC) is acquiring, rehabilitating, and reselling 223 Robinson Street in the West Oakland neighborhood.

Mr. Miller stated OPDC acquired the home in December 2019, with the original intent to renovate the home and rent it for an extended period of time to generate revenue to pay off the debt they incurred in purchasing and renovating the home. After they generated enough revenue from the property, they were planning to market it and sell. However, in June 2019, they received an award of \$40,000 from PHARE to fund the rehabilitation of the unit as a For-Sale unit. They are coming before the HOF to request funds to bridge the final gap so that they can go from construction to For-Sale without a period of rental. The renovation project is almost completely finished. It included the removal and rebuilding of the front porch, retaining wall repairs, new roof and gutters, updating the electrical system, new heating system and new appliances throughout the entire home. When it is complete, it will be part of the Oakland CLT and will be affordable for 99 years. The anticipated sales price is \$145,000 and it will be affordable to a four-person household, at or below 80% AMI. The requested amount from HOF to bridge that final gap is \$70,000 which is the program maximum per unit. The recommended amount today is \$70,000 in the form of a grant.

OPDC has two different types of loans for the development of this unit. One is the Oakland Development Fund and the other is the URA revolving loan of credit. They will pay both of those loans back out of the sale proceeds. To generate enough capital to pay back those loans, they have funds from PHARE in the amount of \$40,000, and McAuley Ministries funds at \$12,000. The income from the sale to the homeowner of \$145,000 and the pending grant from the HOF in the amount of \$70,000 brings their total financing to \$267,000 which is the total project cost. Oakland has a 2025 master plan and one of the major parts is housing and a recommendation that came out of that master plan is to develop and maintain affordable housing.

Elle Fisher from Oakland Planning and Development Corporation was present.

RECOMMENDATION 36 (2019)

Mark Masterson made the motion for E. Robinson Street Development – the approval of a For-Sale Development Program Grant in the amount of \$70,000 for 223 Robinson Street. Sonya Tilghman

seconded. Sam Su abstained/left the table for the discussion in accordance with the Conflict of Interest policy.

- F. **City's Edge Development – Uptown – Recommend the approval of revisions to the loan terms for the previously approved City's Edge Rental Gap Program loan in the amount of \$1,000,000. The previous approval included a 99-year deed restriction at or below 30% and 50% AMI for 41 units. The revised proposal is to have a deed restriction at those income levels for 35 years and then at or below 80% AMI for years 36 through 99. The expiration date is also asked to be extended from December 1, 2019 until February 1, 2020.**

Staff Report

The City's Edge project calls for new construction of a ten-story mixed-use structure. The 309,208 square foot structure will consist of a 508-space parking garage on the first five floors, 17,187 square feet of commercial and community space on the first floor, and 110 units of housing on the top five floors. Current plans call for the storefronts to house a daycare, a minority/women-owned business incubation space, and a restaurant. The commercial parking facility would include a mix of leased and transient parking. The residential units will include 77 income-restricted units. The remaining 33 units will be market-rate. The project will also include a publicly-accessible plaza and a rooftop deck for residents.

Ms. Smith Perry stated this \$1,000,000 Rental Gap Program loan was approved a few months ago. However, there is a change that the development team (including Midpoint) has requested in terms of the deed restriction.

Mr. Miller stated there are 110 units of rental housing. 77 of those 110 units will be affordable. 41 of the affordable units will be deed restricted with use of the HOF funds. The breakdown is as follows: 8 of the 21 units are at or below 30% AMI with a term of affordability of 99 years. 33 of the units are at or below 50% AMI for the 99-year term of affordability. In the meeting in August, there was a concern by the development team about the feasibility of having that level of affordability for 99 years. One of the conditions of the Advisory Board's recommendation was that should the affordability not remain the same, then the project would need to come back to the board.

There is a proposed revised term of affordability being requested. 40 HOF affordable units are going to remain deed restricted and affordable. That numbers stays the same for years 1-35, 8 units will be at or below 30% AMI. 33 units will be at or below 50% AMI for years 1-35. The change is in years 36-99 they agree to rent to households at or below 80% AMI for the universal HOF deed restricted units which is 41. All 41 units will be at or below 80% AMI.

Hal Coffey, Clark Hill and Macy Kilinski, Alliant Capital were present.

Ms. Deming stated she is concerned about the proposed change to 80% AMI because in 40 years, there is going to be a need for housing for people at 30% to 50% AMI. Also, it is a large percentage of the HOF's budget, and the 99 years criteria isn't going to reach the lowest income. Furthermore, it should not be counted toward the 99-year goal.

Ms. Walker stated that there is always a need to see 30% & 50% AMI. However, by having 80% AMI, it starts to create opportunity rich neighborhoods that lower-middle income households can benefit from.

Mr. Build-Hudson stated the proposal affirms 80% AMI or below which doesn't mean that there isn't 30% & 50% AMI available. It results in an increased amount of people who wouldn't have been able to move in because they made more than 50% at that point of time.

Ms. Smith Perry stated the developer is obtaining a Project Based Section 8 contract with the HACP which runs for 20-years, but they can be extended for another 20 years and it is possible for them to continue extending.

Ms. Deming asked if anything can be added in the deed restriction regarding displacement such as finding alternative housing.

Ms. Smith Perry stated staff will work with the URA legal attorneys to look at an anti-displacement strategy in general.

RECOMMENDATION 37 (2019)

Diamonte Walker made the motion for F. City's Edge Development – Uptown – the approval of revisions to the loan term to the previously approved City's Edge Rental Gap Program loan in the amount of \$1,000,000. The previous approval included a 99-deed restriction at or below 30% and 50% AMI for 41 units. The revised proposal is to have a deed restriction at those income levels for 35 years and then at or below 80% AMI for years 36-99. The expiration date is to be extended from December 1, 2019 until February 1, 2020. Knowledge Build-Hudson seconded. Lena Andrews, Mark Masterson, Sam Su, Sonya Tilghman, Adrienne Walnoha abstained/left the table for the discussion in accordance with the Conflict of Interest policy. Joanna Deming opposed.

G. Recommend the Approval of Contracts and/or Contract Amendments with the following Program Administrators to continue to administer the Homeowner Assistance Program (HAP) with 2018/2019 funding:

- 1. Habitat for Humanity of Greater Pittsburgh – increase the contract from \$200,000 by an additional \$200,000 for a total contract amount of \$400,000**
- 2. Nazareth Housing Services – increase the contract from \$100,000 by an additional \$200,000 for a total contract amount of \$300,000**
- 3. Rebuilding Together Pittsburgh – increase the contract from \$200,000 by an additional \$200,000 for a total of \$400,000**
- 4. Low Country Building Solutions – new contract for \$200,000 from HOF funding**

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 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.

Currently, six non-profit program administrators participate in the program. There is a waiting list for the program. Three program administrators, Habitat for Humanity of Greater Pittsburgh, Nazareth Housing Services, and Rebuilding Together Pittsburgh need contract amendments to service more households. Additionally, the URA reissued the RFP to include both non-profit and for-profit program administrators so that more households can be serviced. Low Country Building Solutions is a M/WBE construction company that works with the URA's other home repair programs. They applied to be a program administrator.

Mr. Carter stated the approval is for three increases to the current contracts with Habitat for Humanity, Nazareth Housing Services, and Rebuilding Together Pittsburgh. The rationale is that they have done a good job with the projects and are nearing the end of their committed amount. By increasing the amount, it will keep the providers going so that there isn't any lapse in projects. The increases are as follows: Habitat for Humanity - \$200,000 additional for a total contract of \$400,000; Nazareth Housing Service - \$200,000 additional for a total contract of \$300,000; Rebuilding Together Pittsburgh - \$200,000 additional for a total contract of \$400,000, and Low Country Building Services – new contract at \$200,000. There are currently forty applications that have not been assigned to anyone because the providers are at capacity. This action will help to reduce the waitlist.

Mr. Masterson asked for information regarding how many people have applied, how many are approved and how many have been rejected and why have they been rejected?

Mr. Carter stated 42 applicants are in the process right now across the 6 providers. 40 applicants are on the waitlist. There have been 30 applicants denied mostly for lack of payment of taxes.

Ms. Taylor stated that once someone has applied, and there is a tax clearance problem, they are required to prove that they have a payment plan in place for those back taxes. Once that has been established, they will then be approved.

RECOMMENDATION 38 (2019)

Adrienne Walnoha made the motion for G. Recommend the Approval of Contracts and/or Contract Amendments with the following Program Administrators to continue to administer the Homeowner Assistance Program (HAP) with 2018/2019 funding: Habitat for Humanity of Greater Pittsburgh – increase the contract from \$200,000 by an additional \$200,000 for a total contract amount of \$400,000; Nazareth Housing Services – increase the contract from \$100,000 by an additional \$200,000 for a total contract amount of \$300,000; Rebuilding Together Pittsburgh – increase the contract from \$200,000 by an additional \$200,000 for a total of \$400,000; Low Country Building Solutions – new contract for \$200,000 from HOF funding. Kellie Ware-Seabron seconded. Sam Su abstained/left the table for the discussion in accordance with the Conflict of Interest policy. Lena Andrews abstained.

H. 2020 Allocation Plan Timeline / Schedule / Meetings

Staff Report

Ms. Hage stated numerous community engagement meetings and events were hosted by HOF staff and community partners throughout 2019. The goal of the meetings was to educate the public on HOF, provide an update on the programs, and assist residents applying for HOF programs. HOF staff has also attended over 200 community hosted meetings and events in 2019 including: Global Switchboard; Immigrant Services and Connections (ISAC); Citywide Public Safety Meetings: Building Blocks for Safer and Stronger Neighborhoods; Pittsburgh Black Elected Officials; and a Landlord-Tenant Town Hall.

The 2020 survey timeline for the Annual Allocation Plan ran from October 20, 2019 to November 6, 2019. It was available online and that was the primary method that most respondents chose to use. A paper form was available also and HOF staff were on hand to pass out these paper forms. However, most people opted to take the survey online. It was also sent to the HOF Advisory Board and to City Council members as well to distribute to their networks. If paper copies were needed, they were dropped off at meetings and the responses were returned. Those were the two primary methods of collection.

Mr. Masterson stated that a lot of the meetings mentioned were dedicated to outreach and the programs that are available and how to apply. However, there weren't meetings offered to ask the public how they think the \$10,000,000 in funds should be utilized.

Ms. Smith Perry stated that there was a concern as Pittsburgh United had a series of meetings being conducted which were geared toward the advertisement of programs and it was decided not to have Allocation Plan meetings at the same time and confuse the general public. In a discussion with the Advisory Board at the July meeting, the strategy that was identified for this round was to proceed with the approach of having surveys in hand which was implemented during the past month. In addition, the Advisory board was given the opportunity to have surveys available to distribute and to advise the staff when community meetings were happening in their neighborhoods.

Ms. Reese reviewed the results of the survey. Respondents were asked which program will have the most impact on their community. 48% of them said that all of the programs are important. The top two programs selected were the Rental Gap Program with 14% of the responses and the Homeowner Assistance Program with 13% of the responses. 122 of the respondents said that they had experienced a housing crisis. Of those who have had a housing crisis, they also said that all the programs were important and supported the Rental Gap Program at 18% vs. 14% overall. Also, they supported the Housing Stabilization Program at 12% vs. 7% overall.

The next respondents are homeowners and renters. Renters said that all the programs are important. They are at 20% vs. 9% for the Rental Gap Program, 9% as opposed to 5% for the Housing Stabilization Program. The homeowners support the owner programs. For-Sale Development 8% vs. 2%, Homeowner Assistance Program at 24% as opposed to 2%. The Down Payment & Closing Cost Program was the same percentage.

Ms. Smith Perry stated there is a 2020 Annual Allocation planning session with the Advisory Board on November 21 to develop a draft plan. The draft plan will be presented publicly at the HOF Advisory Board meeting on December 5. The URA board will vote on the draft plan on December 12. Any changes that the URA or the Advisory Board has asked for will be negotiated prior to the January 2 Advisory Board meeting which will be the final vote. On January 9, it will go to the URA for their final vote and then introduced to Council at the end of January with their final vote in February.

I. Programmatic Updates, Expenditures, Impacts, and Policy Discussions

- **Homeowner Assistance Program (HAP)** – revising Program Guidelines to combine the existing Pittsburgh Home Rehabilitation Program (PHRP) with HAP and create a HAP-Plus program to service households above 50% AMI but at or below 80% AMI
- **Housing Stabilization Program (HSP)**
- **Down Payment and Closing Cost Assistance Program (DPCCA)**
- **For-Sale Development Program (FSDP)**
- **Rental Gap Program (RGP)**

Staff Report

Ms. Reese gave a brief report on the update of the programs.

Ms. Smith Perry stated that there are a lot of people slightly over income for the Homeowner Assistance Program. There is also the Pittsburgh Housing Rehabilitation Program (PHRP) which is a pre-existing URA program that is a 0% interest loan, usually amortizing over 25 years for home improvements. It is usually funded by federal funding sources. That program is going to be discontinued and it will be included with HAP. This will allow for one front door for all of the programs. There is a process to develop HAP Plus guidelines which would take the HAP guidelines and amend them to include a portion of the program which is between 50% and 80% AMI. Funding will need to be identified because at this point there isn't funding in the 2018 and 2019 HOF line items to help households above 50% AMI but below 80% AMI. In addition, there were a couple of requests to reduce the six-month tax delinquency period to three months. That is going to be implemented at the same time, and also increasing the Program Administrators' fee from 10% to 20% due to the request of the program administrators.

Mr. Masterson asked if there is a way to incorporate Pittsburgh Development Funds for the HAP Plus program to help people who are over the 50% AMI income level.

Ms. Walnoha asked if there a way to have an electronic mechanism for people to record their questions throughout the meeting. If there was not enough time for questions that needed to be followed up, there would be a mechanism to capture those. It could be done in real time and can be addressed in the dialogue or keeping a record so that there is a repository and then be able to respond on the URA's website.

Ms. Smith Perry asked Evan Miller, Jamie Reese and Adrienne Walnoha to investigate the idea of capturing questions electronically.

- J. Announcement** – The December HOF Advisory Board Meetings will be held at the URA – 200 Ross Street, 13th Floor.

Public Comment

Glenn Germany, Pittsburgh resident, asked if a person who was rejected for the HAP program because he/she is a little bit over income will have to reapply or will the applications stay on file.

Ms. Smith Perry stated that the people who have been declined for the HAP Program will be contacted, and if they do have to re-apply it will be as small a process as possible. There is a plan in the process to use one application for all the programs.

Celeste Scott, a community liaison representative for Pittsburgh United and Pittsburghers for Urban Transit, asked if the appeal process of HSP is open yet. There are some people who need to be able to utilize that. In addition, the anti-displacement strategy around the City's Edge Development is important.

Mr. Carter stated the appeals process for HSP should be available in the next few weeks.

K. Adjournment

There being no further business, the meeting was adjourned.