

Minutes of the Regular Meeting of the Housing Opportunity Fund Advisory Board of the Urban Redevelopment Authority of Pittsburgh, 200 Ross Street, 1st floor conference room, Pittsburgh, PA 15219.

December 10, 2019 – 9:00 A.M., E.S.T.

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

Members Absent: J. Bey, J. Jackson, T. Kail-Smith, M. Lane, S. Su, A. Walnoha

Staff Present: Messrs. J. Carter, T. Cummings, D. Geiger, D. Kendall-Morris, E. Miller, Mmes. B. Benjamin, C. O'Leary J. Smith Perry, G. Taylor, S. Taylor

A. Public Comment

Swain Uber, PPSA, stated the way that the Neighborhood Legal Services contract is set-up they won't be able to hire a lawyer which defeats the purpose of this type of work. The HSP is designed for specific families being served, but eviction work and legal work are different. If the full \$130,000 in funds could be placed into Neighborhood Legal Services, they would be able to hire a lawyer and a social worker and be able to serve approximately 120-130 families a year. As you have seen with the HSP program, there are families in need. One of the best ways to assist those families is providing them legal services. Related to that there should be more money in the HSP line item, and the focus needs to be keeping people where they live.

Megan Hammond, Fair Housing Partnership, stated that there has been an issue with the timeliness of the posting of the meetings. This is a specific problem for her as she needs the services of a sign language interpreter and doesn't have enough time to make the request. Also, it is hard to provide meaningful feedback from a fair housing perspective on the projects proposed on the agenda without more than a 24-hour notice. The agenda doesn't say how many units in the Larimer School are accessible.

Ms. Smith Perry commented about the scheduling of the meetings. The meetings are always announced a month ahead of time and the December meeting was announced at last month's meeting. However, the December meeting was accidentally not listed on the URA website until a few days ago and she apologized for any confusion that it caused. On the agenda is the next meeting which is scheduled on January 8. Ms. Smith Perry also noted that the meetings will go back to the first Thursday of the month in City Council Chambers starting in February.

Celeste Scott, a community liaison representative for Pittsburgh United and Pittsburghers for Urban Transit, stated that many people have received help through the HOF programs. However, there is a lot more work to do. There is the hope to continue to keep strategies going and be creative about ways to expand the pie of resources.

Jay Dworin, Fair Housing Partnership, stated that he would like to see an analysis of how HOF funding is used to affirmatively further fair housing.

Ms. Smith Perry stated the URA has a policy data analyst in place. Reports can be provided. The URA has offered to meet with the Fair Housing Partnership several times in the recent past.

B. Roll Call

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

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

The minutes of the Regular Board Meeting on November 7, 2019 were corrected with the spelling of Elly Fisher's name and were approved as written and previously distributed.

D. Larimer Choice Neighborhoods Phase IV (Larimer School Rehabilitation) – Recommend the approval of Rental Gap Program funding in the amount of \$650,000 for the redevelopment of the Larimer School into housing. The commitment will expire on April 10, 2020.

Staff Report

This project involves the adaptive reuse of the former Larimer School, located on a 1.03-acre site at 540 Larimer Avenue and the construction of seven three-bedroom apartments directly across from the Larimer School on Winslow Street in the Larimer neighborhood of the City of Pittsburgh. The development will be mixed-income including 35 affordable units and seven market rate units consisting of 27 one-bedroom, eight two-bedroom and seven three-bedroom units. The project is part of the CHOICE Neighborhood Initiative (CNI) grant awarded by the U.S. Department of Housing and Urban Development (HUD) to the City of Pittsburgh and the Housing Authority of the City of Pittsburgh (HACP) in 2013.

The HOF Rental Gap Program loan request is in the amount of \$650,000. The Advisory Board's funding recommendation will be presented to the URA Board of Directors on December 19, 2019.

The Rental Gap Program loan is needed because of several extraordinary project costs: (1) Acquisition and extended holding costs from the time of purchase in 2016; (2) Project budget includes stabilization & remediation costs of approximately \$2,500,000; (3) Project must meet Secretary of Interiors Guidelines for Rehabilitation of Historic Buildings (Estimated project cost of \$270/square foot is above PHFA median costs); and (4) Non-residential community asset – core and shell and white box improvements, \$1,500,000, of the gymnasium/auditorium for community space such as food related asset.

Ms. Smith Perry stated this is the fourth phase of the CHOICE Neighborhood development in the Larimer/East Liberty neighborhood. CHOICE Neighborhoods is a federally funded program that was awarded in 2014 to replace 157 units of low-income housing in the Larimer neighborhood with 333 mixed income units. In the first two phases, 255 units were constructed. Currently, the development team is working on phases three and four. Phase four is the rehabilitation of the Larimer school into 35 affordable units and 7 market units. 35 of those units are in the school and 7 units are across the street. The community desires that seniors be considered, and this will be marketed heavily toward seniors. McCormack Baron Salazar is the developer in conjunction with the Allies at Ross Management and

Development Company (ARMDC) which is an affiliate organization of the Housing Authority of the City of Pittsburgh (HACP). The Larimer Consensus Group is the applicant for the HOF funding.

The school was built in 1896. It has been a blighting influence in the neighborhood for a long time and the community wanted to rehabilitate it as part of this development. In addition to housing, there is an auditorium and a gymnasium space that is being rehabilitated which will have a yet to be determined community use. This is a CHOICE Neighborhood Development which means the HOF will own the land for 99 years which will protect affordability. It is mixed income with different layers of restrictions. The HOF is planning to restrict five of the units at 30% AMI and 17 units at 50% AMI.

This is a \$22,000,000 development and the acquisition and holding costs have been high on this building over the years. It must meet the Secretary of the Interiors Guidelines for Historic Buildings. Stabilizing and remediating it environmentally has cost \$2,500,000. The non-residential portion has cost \$1,500,000 to shell and core the portion of the school building for the gymnasium/auditorium space. There is Low Income Housing Tax Credit (LIHTC) equity, and historic tax credit equity. The CHOICE grant funds are part of the CHOICE neighborhood that was awarded by HUD. The HACP has been a very sizable partner in this development, but because of the large environmental and historic costs, there is a gap which is why HOF funds are being requested.

Lindsay Evans, McCormack Baron Salazar, Ms. Betty Lane and Ms. Donna Jackson from the Larimer Consensus Group were present along with Tom Cummings and Collette O'Leary with the URA.

Ms. Deming asked what the non-profit's role has been with the development?

Betty Lane, Larimer Consensus Group & Larimer Community Watchers, stated there was not any major development in the neighborhood until Choice Neighborhood arrived. The community groups in Larimer are looking forward to housing opportunities to happen.

Donna Jackson, Larimer Consensus Group, stated that other neighborhoods in the city have a senior building & recreation center and Larimer wants people to be able to live and be safe in the neighborhood. There are no additional community benefits being offered with the development. However, the important factor is to be able to live in fair and decent affordable housing.

Mr. Masterson asked how many of the units will be accessible?

Lindsay Evans stated the requirement is for 5% of units to be accessible. However, the development team is exceeding that requirement for communities and PHFA housing requirements and are at 10%. There are four units in Larimer School, three 1-bedroom units and one 2-bedroom unit that are accessible. In addition, there are two 3 bedrooms units in the new construction portion that are accessible. This exceeds the requirements of fair housing and accessibility.

RECOMMENDATION 39 (2019)

Megan Winters made the motion for D. Larimer Choice Neighborhoods Phase IV (Larimer School Rehabilitation) – The approval of Rental Gap Program funding in the amount of \$650,000 for the redevelopment of the Larimer School into housing. The commitment will expire on April 10, 2020. Mark Masterson seconded. Lena Andrews, Knowledge Build-Hudson, Sonya Tilghman, Derrick Tillman abstained/left the table for the discussion in accordance with the Conflict of Interest policy.

E. Recommend Preliminary Approval of the Proposed Draft 2020 HOF Allocation Plan

Staff Report

The HOF Advisory Board held a working meeting on November 21, 2019 to discuss drafting the Allocation Plan. The Advisory Board was given (1) a report that summarized the survey data, (2) an expenditure report showing prior year expenditures, and (3) reports showing the supply and demand of the current programs. After much discussion, each Advisory Board member was asked to complete a worksheet creating a draft plan. The responses were compiled, and draft allocation scenarios were presented at the Advisory Board Meeting for discussion and preliminary approval.

Ms. Smith Perry stated there was a public survey for the 2020 Allocation Plan with 300 respondents. Additionally, the URA staff attended a lot of community meetings over the last few months. Pittsburgh United held a series of educational meetings in July and August. Also, there were meetings with the Advisory Board in the last month. These included Housing 101 training about all the housing programs that the URA offers and included a meeting to discuss the pipeline, the demand for the programs, and the survey data. Also, the Advisory Board members were asked to complete a draft allocation plan and there were 11 responses from Advisory Board members. Those responses were calculated and shown in a draft spreadsheet.

The spreadsheet / chart was broken out in 30% AMI, 50% AMI & 80% AMI columns. Legislation states that at least 50% of the funds must go to households at 30% or below AMI. The legislation allows for another 25% to be below 50% AMI and 25% to be below 80% AMI. The levels cannot be exceeded for the 50% AMI & 80% AMI. There was a column showing the Advisory Board Mean and a column showing the Staff Recommendation which was based on how fast the funds are being expended.

Mr. Tillman asked for a summary of what the purpose is for the Demonstration program funds?

Ms. Smith Perry stated the Demonstration program money was created in 2019 due to the concern that there could be surprise situations of displacement in the city. The Advisory Board requested that money be set aside for emergencies where displacement is an issue. Of that \$500,000 that was committed in 2019, \$200,000 was committed to the downtown homeless shelter. That is the only commitment that has been made from those funds. There is \$300,000 remaining; therefore, in the staff recommendation there wasn't any funds added.

Mr. Masterson stated there is a lot of the money that hasn't been utilized in the Down Payment Closing Cost Assistance relative to the amount that is being recommended. Therefore, it doesn't look like another \$500,000 is needed to keep that running for 12 months.

Ms. Smith Perry stated that currently there is a neighborhood LIFT program with Wells Fargo and NeighborWorks, which is providing Down Payment funding. It is not known if that will reduce or increase the demand HOF Down Payment and Closing Cost funds. NeighborWorks as well as the banks are telling their customers to apply for both. This is a great program because people at 50% or 60% AMI can get into homeownership by tiering. This is making homeownership more affordable for lower income people.

Mr. Masterson stated that the DPCCA line may be able to go down to a smaller amount so that there are more funds available for HSP or to help with the issue in HAP with people between 50% & 80% of income who were not able to qualify for HAP.

Ms. Smith Perry stated that there was a program at the URA named Pittsburgh Home Rehabilitation Program (PHRP) for households up to 80% AMI that has been operational for 30 years. It's a 0% interest home repair program loan. When HOF started, half of the people who would have used PHRP went to HAP. The people who are between 50% and 80% AMI were still using PHRP and a lot of them were turned down due to the funding parameters. HAP Plus has now been created which will incorporate those people into HAP. However, there is no funding source available at this time for the program unless 2020 funds are committed to HAP at the 80% AMI income level.

Ms. Demining asked how long the current Housing Stabilization Program (HSP) funding in 2018 and 2019 will last.

Mr. Carter stated some of the providers for HSP have already started to incur costs associated with 2019 funds and two of the agencies might be fully expended by March.

Mr. Masterson asked whether people are not participating in the FSDP because of the requirements or if it is a lack of capacity for non-profits to undertake for-sale development in neighborhoods?

Mr. Miller stated there might be some neighborhoods that are not sure if they want to use a funding source with a 99-year term of affordability. Also, the cap is at \$70,000 per unit, and some of the applicants had gaps that were much larger than that. Upping the cap can be looked at, but that leaves the question of how much funds should be put into a single unit.

RECOMMENDATION 40 (2019)

Derrick Tillman made the motion for E. Staff Recommendation of the Draft 2020 HOF Allocation Plan. Lena Andrews seconded. The draft plan is as follows:

Draft 2020 Allocation Plan	Who does it help?			TOTAL
	Extremely Low Income 30% AMI and all below	Very Low Income 50% AMI and all below	Low Income 80% AMI and all below	
Building/Fixing up affordable rental units (Rental Gap Program)	\$2,980,000	\$1,520,000		\$4,500,000
Helping renters stay in their homes (Housing Stabilization Program)	\$685,000	\$330,000		\$1,015,000
Making it easier to buy a home (Down Payment and Closing Cost Assistance)			\$500,000	\$500,000
Helping homeowners keep up with repairs (Homeowner Assistance Program)	\$835,000	\$400,000	\$1,250,000	\$2,485,000
Building/fixing up affordable homes for sale (For-Sale Development Program)			\$500,000	\$500,000
Administration	Up to \$0.5M	Up to \$0.25M	Up to \$0.25M	\$1,000,000
Total	\$5,000,000	\$2,500,000	\$2,500,000	\$10,000,000



Ms. Smith Perry stated that the draft plan will be put on the URA's website www.ura.org/hof. There will be a google form for the public to give feedback on the draft plan. The plan will be revised, and the Advisory Board will receive it prior to the next Advisory Board meeting where a vote will be cast on the final plan. The final plan will then go to the URA Board of Directors for approval.

F. Programmatic Updates, Expenditures, and Impacts

Staff Report

Mr. Masterson asked how the Administration funds are being spent?

Ms. Smith Perry stated the Administration funds are \$1,000,000 a year. The first year the funds were used heavily on the consulting side with HR&A Advisors setting up the fund. Currently, there are more staff to run the programs and with the help of the Finance Dept., the expenditures are being determined. In the first six months, the HOF was a policy creating dept. within the URA. It is now an operating department with staff operating programs.

Ms. Deming asked for an update regarding when the Chair position will be filled.

Ms. Smith Perry stated that Councilwoman Theresa Kail-Smith made the resolution to wait until there was a full advisory board. The URA spot is still open. However, the Governance committee can convene regarding the issue of the Chair.

Mr. Masterson stated it is important that the terms that board members were appointed to are considered when making decisions. The first people on the board were staggered with one, two and three-year terms. The Board should be aware of when members terms expire.

Ms. Smith Perry will provide an updated roster of everyone's terms.

G. Announcement – The January HOF Advisory Board Meeting will be held in City Council Chambers on January 8, 2019 at 3:00 PM.

Public Comment

Marcus Reed, resident of Northview Heights community, stated there is a need for more units.

Celeste Scott, community liaison representative for Pittsburgh United and Pittsburghers for Urban Transit, asked about when the URA position would be filled. Additionally, she asked if there was a timeline for the 211-call center to be working with the HSP program?

Ms. Smith Perry stated the URA doesn't create the Advisory Board position appointments. It is hoped to have the 211-call center involved with the HSP program by January.

Swain Uber, PPSA, stated that a request for more funds, in addition to HOF funds, is essential because more money is needed in each program.

Bob Damewood, Regional Housing Legal Services, stated one of the responsibilities of the HOF Advisory Board under the ordinance is to make recommendations to the Mayor and to City Council regarding funding levels. He encouraged the Advisory Board and HOF staff to make those recommendations.

Mr. Tillman suggested to establish a working group regarding recommendations on how to advocate to increase funding.

Ms. Andrews stated that more HOF success stories should be showcased.

Ms. Smith Perry stated there have been discussions with the URA communication dept. and that will be pushed forward in 2020.

Regina McDonald - St. Philip, St. Vincent DePaul & John Hamill – St. Vincent DePaul. Ms. McDonald stated they receive a lot of requests for rental assistance, security deposits, and utilities and have referred close to 50 people in the West End, Chartiers, & Elliot neighborhoods to the HSP program. They would like a closer working relationship with URA to find out how many of these people have been served.

Ms. Smith Perry directed Ms. McDonald and Mr. Hamill to meet with URA staff after the meeting.

H. Adjournment

There being no further business, the meeting was adjourned.