

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.

January 8, 2020 – 9:00 A.M., E.S.T.

Members Present: Messrs. K. Build-Hudson, M. Lane, M. Masterson, D. Tillman
Mmes. J. Deming (phone), E. Johnson, T. Kail-Smith, S. Tilghman, D. Walker, A. Walnoha, K. Ware-Seabron,
M. Winters

Members Absent: L. Andrews, J. Bey, J. Jackson, S. Su,

Staff Present: Messrs. C. Alcorn, J. Carter, T. Cummings, D. Geiger, B. Morgan, D. Kendall-Morris, E. Miller,
Mmes. B. Benjamin, V. Hage, D. Hilmer, J. Smith Perry, G. Taylor, S. Taylor

A. Public Comment

Raymond Moore, Fair Housing Partnership, stated there was minimal information regarding Northside Properties Phase III. There are 70 units and 12 are affordable. With such limited affordable housing options, who are the units being targeted to? Development without the understanding of how it impacts existing inequities results in further segregation in our city.

Michael Polite, Ralph Falbo Inc. (Development Consultant), Northside Properties Phase III stated the low-income units that are listed are the units that are being directly funded by the HOF. Of the 70 units, they are all affordable and are supported by a long-term HAP contract (Section 8). This project is the third phase of multiple phases. In addition, there will be a 40-year compliance period.

B. Roll Call

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

C. Review and Acceptance of Minutes from the December 10, 2019 Meeting

The minutes of the Regular Board Meeting on December 10, 2019 were approved as written and previously distributed. Adrienne Walnoha abstained.

D. Recommend Final Approval of the 2020 HOF Allocation Plan

Staff Report

At the December 10, 2019 HOF Advisory Board Meeting, the Advisory Board recommended preliminary approval of the following 2020 Allocation Plan. The plan was placed on the URA's website for public comment.

Draft 2020 Allocation Plan

Who does it help?		
Extremely Low Income	Very Low Income	Low Income
30% AMI and all below	50% AMI and all below	80% AMI and all below



				TOTAL
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 there was a survey throughout the fall, and public feedback for the survey closed on November 6. 300 people responded to the survey. The information was presented to the Advisory Board on November 21. There was a subsequent conference call with Advisory Board members, and they were asked to create an Allocation Plan. 11 Advisory Board members drafted an Allocation Plan, and a median amount was determined. Additionally, staff provided a version that was based on the current supply and demand of the programs and was similar to the Advisory Board median amount. At the December 10 meeting, a resolution was made by the Advisory Board members to move forward with the staff recommendation plan. The plan was then posted on the URA's website, and there were 7 comments.

The Allocation Plan is being presented for final approval/recommendation from the Advisory Board of the plan so that it can go to the URA Board of Directors next week. If the URA Board of Directors as the governing board for HOF approves the plan, it will then be presented to Council.

A letter was received from Pittsburgh United which is an advocacy group and they also submitted ideas on the public website. Some of their viewpoints related to the community feedback process. They are requesting that there is more community outreach using community-based consultants. At the last meeting, there was a discussion regarding the timing of preparing three years of annual allocation rounds in less than 18 months and the balance of getting feedback from the community vs. going out to them too much and overwhelming them. This year feedback was gathered through a combination of educational meetings and online outreach.

There were a couple of comments regarding the impact of affirmatively furthering fair housing. At the February Advisory Board meeting, the Fair Housing Partnership (FHP) is preparing to provide a presentation regarding fair housing. The URA has been in communication with the FHP to discuss metrics that could be identified to collect data that would help to further fair housing. The URA was asked to continue to seek additional funding for the Housing Stabilization Program, and applications have been submitted in order to do that. In addition, the URA was asked to provide a breakdown of HOF

administrative expenses. There will be correspondence with the Advisory Board as to Administrative expenses to date. Also, there was a comment to look at other Trust Funds.

According to legislation, the funds have to be broken down into 50% of the funds going to households at 30% AMI or below, 25% of the funds going to households at 50% AMI or below, and 25% of the funds going to households at 80% AMI or below. With the 2018/2019 funds and other URA funds there will still be a deficit of \$10,000,000 to fund the deals that were in the pipeline. For that reason, the recommendation last month was for the 2020 Allocation plan to consist of the following:

Draft 2020 Allocation Plan	Who does it help?			TOTAL
	Extremely Low Income	Very Low Income	Low Income	
	30% AMI and all below	50% AMI and all below	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
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Ms. Kail-Smith stated that rental funds may be important, but there is also the need for homeowners to be able to restore their homes and be able to stay in them. In addition, vacant homes need to be rehabilitated. After the discussion, the final vote took place for the above listed plan.

RECOMMENDATION 1 (2020)

Majestic Lane made the motion for D. Recommend Final Approval of the 2020 HOF Allocation Plan. Derrick Tillman seconded. Theresa Kail-Smith abstained.

- E. Northside Properties Phase III - Recommend the approval of Rental Gap Program funding in the amount of up to \$700,000 for the redevelopment of Northside Properties Phase III. The commitment will expire on June 1, 2020. The commitment may be extended until December 31, 2020 if a final application for 4% Low Income Housing Tax Credits (LIHTCs) is submitted to the Pennsylvania Housing Finance Agency (PHFA) and an allocation of LIHTCs and volume cap is awarded.**

Staff Report

This project involves the renovation and preservation of (70) existing units across the California-Kirkbride, Central Northside, and Perry South neighborhoods as the third phase of the Northside Properties development. Of these seventy (70) units, at least twelve (12) units will need to be available at or below 30% AMI.

North Side Associates (NSA) previously owned 324 units located in 239 separate buildings spread out among the historic Northside area of Pittsburgh, PA. The development is known as the Northside Properties. The units, which are a mix of 1, 2, 3, 4, and 5-bedroom apartments, were originally built between 1870 and 1910. To date 197 of the units have been sold to an affiliated limited liability company in two phased developments to date (Phase I containing 75 units is completed, and Phase II containing 122 units closed in August 2019 and is under construction). The developer is Northside Properties Residences LLC. The non-profit applicant is Northside Coalition for Fair Housing.

The HOF Rental Gap Program loan request is in the amount of up to \$700,000.

Mr. Morgan stated the loan will be provided to the borrower, North Side Properties Residence Phase III, LLC, for the renovation of 70 units in California Kirkbride, Central Northside, and the Perry South neighborhoods. The request is for a \$700,000 HOF Rental Gap Program (RGP) loan which will help with the renovation of 12 units at 30% AMI or below. The interest rate will be 0% or a rate determined by a tax credit investor. The term of affordability is 40 years as the borrower is pursuing 4% Low Income Housing Tax Credits and repayment of the loan will be at 2% cashflow. In addition, an URA Rental Housing and Improvement Development Program (RHDIP) loan of \$700,000 will be part of the financing. Of the 58 units, 31 will be rented to 50% AMI or below, 20 will be at 60% AMI or below and 7 will be at 80% AMI or below.

Yvonne W. Rainey, a North Side resident and board chair of the Northside Coalition for Fair Housing Inc., stated affordable quality housing is needed and the loan will ensure that there are permanent, affordable quality homes that will benefit the community. The uniqueness of the Northside Coalition for Fair Housing partnership is that decisions cannot be made on behalf of the community without the residents' input. They have the right to veto whatever North Side properties decide if they desire.

RECOMMENDATION 2 (2020)

Mark Masterson made the motion for E. Northside Properties Phase III - Recommend the approval of Rental Gap Program funding in the amount of up to \$700,000 for the redevelopment of Northside Properties Phase III. The commitment will expire on June 1, 2020. The commitment may be extended until December 31, 2020 if a final application for 4% Low Income Housing Tax Credits (LIHTCs) is submitted to the Pennsylvania Housing Finance Agency (PHFA) and an allocation of LIHTCs and volume cap is awarded. Kellie Ware-Seabron seconded. Sonya Tilghman and Derrick Tillman abstained/left the table for the discussion in accordance with the Conflict of Interest policy.

F. Fifth and Dinwiddie Development - Recommend the approval of Rental Gap Program funding in the amount of \$500,000 for the new construction of the Fifth and Dinwiddie Development. The

commitment will expire on June 1, 2020. The commitment may be extended until December 31, 2020 if a final application for 4% Low Income Housing Tax Credits (LIHTCs) is submitted to the Pennsylvania Housing Finance Agency (PHFA) and an allocation of LIHTCs and volume cap is awarded.

Staff Report

This project involves the construction of affordable housing as part of a mixed-used, mixed-income development in the Fifth and Dinwiddie Corridor. The development will consist of 167 units, of which 33 will be affordable. Of the affordable units, at least seven units must be affordable at or below 30% AMI and another three must be available at or below 50% AMI. 15 will be studios, another 15 will be one-bedroom units, and the remaining three (3) will be two-bedroom units. The apartments are part of a larger development that will include approximately 20,000 square feet of commercial space, retail space, 128 parking spaces, and 12,500 square feet of new plaza open spaces. Other amenities will include gallery space, public art, bicycle parking, and community programmable space. The developer is Fifth and Dinwiddie Development, LLC. Additionally, Amani Christian Community Development Corporation is the non-profit applicant.

Mr. Alcorn stated the HOF Rental Gap Program loan request is in the amount of \$500,000. Bridging the Gap Development, LLC & HB Development LLC have formed a partnership team to form the entity, Fifth & Dinwiddie Development LLC .

Ms. Smith Perry stated \$420,000 is coming from the HOF Rental Gap Program 30% AMI set aside and \$80,000 is from the 50% AMI set aside.

Ms. Ware-Seabron asked about the size of the units that the HOF is funding and whether they are one bedroom or two bedrooms.

Mr. Boyer, representing the development team, stated that there is going to be a mixture of units. There are still conversations regarding a design and financing process. However, that information will be updated once it is determined.

Ms. Walnoha stated that there is an intense demand for efficiencies, studios, and one-bedroom apartments especially in the 30% and below spectrum. Although, family units are prioritized because they are important, there is a hidden homeless population of people who need the smaller units.

Rev. Lee Walls, Amani Christian Community Development Corporation stated this project is outstanding because it will take a specific node in the Hill District that has been abandoned, vacant, and underutilized for over 20 years and bring a very viable project. The project has received a letter of support from Uptown Partners of Pittsburgh. Also, the developers are amendable to help establish economic development in the project. There will be space for a social entrepreneurship center that will bring carpenters, landscapers and food service into the community.

RECOMMENDATION 3 (2020)

Diamonte Walker made the motion for F. Fifth and Dinwiddie Development - Recommend the approval of Rental Gap Program funding in the amount of \$500,000 for the new construction of the Fifth and Dinwiddie Development. The commitment will expire on June 1, 2020. The commitment may be extended until December 31, 2020 if a final application for 4% Low Income Housing Tax Credits (LIHTCs) is submitted to the Pennsylvania Housing Finance Agency (PHFA) and an allocation of LIHTCs and volume cap is awarded. Knowledge Build-Hudson seconded. Sonya Tilghman and Derrick Tillman abstained/left the table for the discussion in accordance with the Conflict of Interest policy.

G. Programmatic Updates, Expenditures, and Impacts

Staff Report

Ms. Smith Perry asked the Advisory Board to refer to the Rental Gap Program (RGP) spreadsheet that was distributed. All the RGP projects listed on the spreadsheet have been awarded funding and half of them have closed to date. 2018 funds are totally committed and in 2019 there is \$760,000 remaining at the 30% set aside, \$345,000 remaining in the 50% set aside. Two additional applications have been received. They are both smaller community type of preservation developments and one has existing tenants. Those two projects will need most, if not all, of the remaining 50% set aside. After those two deals, requests will be accommodated at the 30% set aside, and will be reflected on the website with the rolling RFP. The 2020 funds that were approved for the Allocation Plan will be in place in the spring.

Mr. Masterson stated if the 2020 funds would be disbursed through a one-time application process instead of a rolling RFP.

Ms. Deming asked if it is possible to have multiple rounds.

Ms. Smith Perry stated the LIHTC developments may need commitments a year early in order to apply for LIHTCs.

Ms. Ware Seabron stated that there could be a two round process or a dollar cap for a rolling process versus a one-time application process.

Ms. Walnoha asked if there is going to be a strategy related to desegregating neighborhoods.

Ms. Smith Perry stated there will be a meeting set up for Advisory Board members who want to participate to determine the criteria for the HOF rental deals moving forward. An RFP will then be able to be drafted.

There is a new HOF staff person. Doren Hilmer is the Program Assistant for HOF.

Mr. Carter stated that finding additional funding for the Housing Stabilization Program (HSP) is underway. There was an application for \$40,000 submitted to Federal Home Loan Bank, but HOF did not receive those funds. Another application was submitted to PHFA for PHARE funds in the amount of \$400,000. Staff is still waiting to hear the outcome of that application. There have been conversations with the providers for the HSP and they are near or over capacity, and there is not a coordinated entry organization under contract. Currently, there is a temporary prioritization for HSP until a coordinated provider can come on board in February. There needs to be an RFP issued and that will be going out this week.

Mr. Tillman asked for an update on the Small Landlord program.

Ms. Smith Perry stated the Small Landlord Program was approved by the URA a few months ago and is not sourced by the HOF. It will provide low interest funding to landlords who would like to rent to Section 8 or other affordable units. Staff are working on a draft application which will be issued in January. There have been discussions with the HACP to determine how to get applications to landlords who are turned down due to a Section 8 inspection.

Mr. Masterson asked about the board terms. According to legislation passed by council, terms should be four years. This did not happen with the reappointments last year.

Mr. Geiger stated the URA is aware of the discrepancy and are working with the Mayor's office to have those fixed for April 2020 which is the next reappointments.

H. Announcement – The February HOF Advisory Board Meeting will be held in City Council Chambers on February 6, 2020 at 9:00 A.M.

Public Comment

There was no public comment.

I. Adjournment

There being no further business, the meeting was adjourned.