

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.

February 6, 2020 – 9:00 A.M., E.S.T.

Members Present: Messrs. J. Bey, K. Build-Hudson, J. Jackson, M. Lane, M. Masterson, S. Su, D. Tillman
Mmes. L. Andrews, J. Deming, E. Johnson, D. Walker, K. Ware-Seabron, M. Winters

Members Absent: T. Kail-Smith, S. Tilghman, A. Walnoha,

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

Ms. Smith Perry stated that there will now be a sign language interpretation at all of the HOF meetings. When giving public comment and when Advisory board members speak, please pause for longer periods of time so that the sign language interpreter can catch up.

A. Public Comment

There were no public comments.

B. Roll Call

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

C. Review and Acceptance of Minutes from the January 8, 2020 Meeting

The minutes of the Regular Board Meeting on January 8, 2020 were approved as written and previously distributed. Lena Andrews, Jerome Jackson, Sam Su & Derrick Tillman abstained.

- D. Montana Building - Recommend the approval of Rental Gap Program funding in the amount of up to \$400,000 for the redevelopment of the Montana Building. The deed restrictions will be tied to four units at or below 30% AMI and 12 units at or below 50% AMI. The commitment will expire on June 6, 2020.**

Staff Report

This project involves the rehabilitation and preservation of an existing affordable housing development located at 5456 Penn Avenue in the Friendship neighborhood of the City of Pittsburgh. The building has operated as an affordable apartment building since 1992 when Montana Development Corporation (“MDC”) was incorporated as a nonprofit corporation and purchased the property. Bloomfield Garfield Corporation is one of the founding members of the Montana Development Corporation and is the non-profit applicant for the HOF funding.

The development will preserve 16 affordable housing units consisting of eight one-bedroom and eight two-bedroom units. The units will be affordable to households with incomes at 30% and 50% of the Area Median Income (“AMI”). The HOF Rental Gap Program loan request is in the amount of up to \$400,000. The Advisory Board’s funding recommendation will be presented to the URA Board of Directors on February 13, 2020.

Mr. Miller stated the property was purchased by Montana Development Corporation LLC in 1992 and renovated at that time. The building needs additional repairs to the exterior of the building, but also interior repairs which includes the common area, electrical, new furnaces, kitchen, appliances and cabinets. There is currently debt on the property from the original renovation in the amount of \$90,000. Montana Development Corporation (MDC) is securing a loan from PNC to refinance that debt and are requesting \$400,000 from the HOF RGP to gap the \$675,000 total project costs. The terms of the RGP loan is for 35 years with a 0% interest rate and TBD % of cash flow annually as the repayment of the RGP loan. Four of the 16 units of the building will be rented to households at or below 30% AMI. The remaining 12 will be rented to households at or below 50% AMI, and MDC has agreed to accept the permanent deed restriction on these properties. Shape Development Group is the contractor.

Rich Swartz (Bloomfield Garfield Corporation) and Doug Van Haitsma (Shape Development Group) are present.

Mr. Swartz stated the building has eight one-bedroom apartments and eight two-bedroom apartments. Rents are raised on an annual basis, but those increases are limited to 2 to 3% a year and there is a good mix of tenants in the building. The one-bedroom apartments rent for \$475-\$500 a month and the two bedrooms range from \$575-\$650 a month. The intention of the renovations is to prolong the use of the building to improve over time the cash flow on the building. The original loan on the building had an 8.5% interest rate, and the new loan will be at 4% with a longer amortization period.

Mr. Masterson asked what the structure is of the ownership of the Montana Development Corp.

Mr. Swartz stated that the Montana Development Group was a partnership with Bloomfield Garfield Corporation (BGC), Friendship Development Association (FDA) which is now out of business and East End Cooperative Ministries which owned both the Montana Building and the Idaho Building next door. The East End Cooperative Ministry and FDA have withdrawn from the board and the new board will have membership from the BGC, and the Garfield Land Trust which is now being formed.

RECOMMENDATION 4 (2020)

Joanna Deming made the motion for E. Recommend the approval of Rental Gap Program funding in the amount of up to \$400,000 for the redevelopment of the Montana Building. The deed restrictions will be tied to four units at or below 30% AMI and 12 units at or below 50% AMI. The commitment will expire on June 6, 2020. Jamil Bey seconded. Lena Andrew, Jerome Jackson, Sam Su and Derrick Tillman abstained/ left the table for the discussion in accordance with the Conflict of Interest policy.

E. Givner Building - Recommend the approval of Rental Gap Program funding in the amount of \$120,000 for the redevelopment of the Givner Building in the Homewood neighborhood. The

deed restrictions will be tied to four units at or below 50% AMI. The commitment will expire on June 6, 2020.

Staff Report

Operation Better Block, Inc. is redeveloping a vacant building located at 627 N. Homewood Avenue into two (2) commercial spaces on the ground floor and six (6) affordable one-bedroom/one-bath units on the 2nd and 3rd floors. The building previously was a key part of Homewood's Business district, which housed WURP Radio Station, a barbershop, a dental office, and Homewood-Brushton Revitalization & Development Corporation. The proposed redevelopment will complete the development of the key intersection of N. Homewood and Kelly, which is a part of Homewood's Business District.

The HOF Rental Gap Program loan request is in the amount of \$120,000. The Advisory Board's funding recommendation will be presented to the URA Board of Directors on February 13, 2020.

Mr. Morgan stated that four of the units will be affordable to tenants at or below 50% AMI and the other two units will be available at or below 80% AMI. The rent will be \$943 a month which is utilizing the HACP housing repayment standard. The units at 50% AMI or below will be rented to Housing Choice Vouchers eligible tenants. There is a request for \$120,000 in RGP program loan funds, 0% interest rate, 30-year term. The cashflow will be split with an URA \$280,000 URA RHDIP loan. This project will have a 99-year affordability period.

Letaj Tinker and Gabrielle DeMarchi from Operation Better Block were present.

Ms. Smith Perry disclosed that Jerome Jackson is a member of the HOF Advisory Board and is the Director of Operation Better Block. He has abstained and left the table for this action.

Mr. Tinker stated that the residents are very excited to see the building renovated and the importance that it brings to the Homewood South business district.

RECOMMENDATION 5 (2020)

Mark Masterson made the motion for E. Recommend the approval of Rental Gap Program funding in the amount of \$120,000 for the redevelopment of the Givner Building in the Homewood neighborhood. The deed restrictions will be tied to four units at or below 50% AMI. The commitment will expire on June 6, 2020. Kellie Ware-Seabron. Lena Andrew, Jerome Jackson, Sam Su and Derrick Tillman abstained/ left the table for the discussion in accordance with the Conflict of Interest policy.

F. Presentation by the Fair Housing Partnership

Staff Report

Ms. Smith Perry stated that the Fair Housing Partnership (FHP) was scheduled to make presentation at today's Advisory Board meeting. However, due to one of their staff members being out of the office, they were unable to have the presentation ready, and requested to reschedule. Staff has had conversations with FHP regarding how to track affirmably furthering fair housing data. Kellie Ware-Seabron is the Fair Housing representative on the Advisory Board and has been part of these discussions.

G. Update regarding HSP Coordinated Entry

Staff Report

Mr. Carter stated the HSP Coordinated Entry RFP closed, and one response was received from the United Way 211. It is anticipated that coordinated entry will start between late February/early March.

H. Programmatic Updates, Expenditures, and Impacts

Staff Report

Ms. Smith Perry stated there will be a 2nd Annual Housing Celebration and Resource Fair scheduled on April 30. There are a lot of resources for people and the goal is to have as many people as possible attend the Fair. In addition, it is a really good time for local HUD and PHFA staff to attend and interact with the community.

Mr. Carter stated that there is a Lenders Breakfast scheduled on February 28. The goal is to have lenders and bankers become aware of the Down Payment and Closing Assistance Program and to participate and utilize the program.

The Small Landlord Fund was brought to the Advisory Board for some guidance a couple of months ago. This Small Landlord Fund is not funded by the HOF. HACP has been in conversation with the URA regarding bringing more units online that can be rented to low income individuals. The terms will be five to ten years, and there will be an affordability period for the length of the loan even if the principal is paid off early.

Ms. Hage stated an RFP will be developed for service providers for Housing Stabilization Program (HSP) 2020 funds. There has been a lot of interest from other service providers who would like to provide service throughout the city.

Ms. Deming asked if there was any progress with the Homeowner's Assistance Program (HAP) in trying to find more contractors.

Ms. Smith Perry stated that there are three for-profit contractors who are going to join the program primarily to work on the HAP Plus program which includes households between 50% and 80% AMI. There will be four for-profit contractors and six not-for-profit program administrators working with HAP.

Mr. Masterson asked what the backlog is like in the HAP program. The last report stated that there were a lot of people who were in the process but there was problem with contractors. How many units have been completed?

Mr. Carter stated there are 72 projects assigned in construction with the service providers and 75 are on the waiting list. Seven units have been completed.

Ms. Ware-Seabron asked for information regarding the appeals process with the Housing Stabilization Program (HSP) and whether the centralized contact (United Way 211) needs to be in place before the

appeals would be available. Also, what will happen to people who were denied before the process is in place?

Ms. Benjamin stated if a person is denied assistance based on being outside the City of Pittsburgh or they don't meet the income requirements, the program provider will send out a denial letter and attached is a letter of how they can appeal. They can text, email or call and have 10 days from the date of the appeal. An email will be compiled and sent to the Appeals Committee for them to review the appeal within 7 days. The providers are aware that they need to send a list of those who have been denied. If someone has not been inspected or has become stagnant, there is an email sent to those individuals asking what their status is and there are times when the person has self-resolved their situation.

Ms. Smith Perry stated that the Center Avenue YMCA which is one of the Rental Gap Program (RGP) borrowers is holding a groundbreaking on Valentine's Day (February 14) at 10:30 in the morning.

- I. **Announcement** – The March HOF Advisory Board Meeting will be held in City Council Chambers on March 5, 2020 at 9:00 A.M

Public Comment

Crystal Jennings, City of Bridges Community Land Trust & Penn Plaza Support and Action (PPSA), is working with the Penn Plaza residents who are were displaced to come back to the area. The City of Bridges is working with the Lawrenceville Community Land Trust to provide affordable housing.

Celeste Scott, a community liaison representative for Pittsburgh United and Pittsburghers for Urban Transit, asked if there could be information available to the public regarding the administrative budget.

J. Adjournment

There being no further business, the meeting was adjourned.