

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.

March 5, 2020 – 9:00 A.M., E.S.T.

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

Member Absent: D. Tillman

Staff Present: Messrs. C. Alcorn, J. Carter, D. Geiger, E. Miller, Mmes. B. Benjamin, V. Hage, S. Madden, J. Smith Perry, G. Taylor

The sign language interpreter was present.

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 February 6, 2020 Meeting

The minutes of the Regular Board Meeting on February 6, 2020 were approved as written and previously distributed. Sonya Tilghman & Adrienne Walnoha abstained.

D. Granada Square Apartments - Recommend the approval of Rental Gap Program (RGP) funding in the amount of up to \$414,770 for the development of Granada Square Apartments in the Hill District. 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 July 5, 2020.

Staff Report

This project is a 9% Low Income Housing Tax Credit (LIHTC) project that will provide a total of 40 units of affordable artist-preference housing units. Four 4 units will be reserved for households at or below 20% AMI and supported by project-based vouchers, 20 units will be available to households at or below 50%, and the remaining 16 units will be available for households at or below 80% AMI. There will also be 6,500 square feet of leasable commercial space on the ground floor.

The developer is Granada Apartments, LP consisting of the Hill Community Development Corporation (Hill CDC) and CHN Housing Partners. The Hill CDC is the non-profit applicant for the HOF funding.

The HOF Rental Gap Program loan request is in the amount of up to \$414,770. The Advisory Board's funding recommendation will be presented to the URA Board of Directors on March 19, 2020.

Mr. Charles Alcorn stated the Hill CDC has been awarded LIHTC funding to move the project forward and will enable the construction of 48 units for artist preferred housing. The project meets the goals of the Greater Hill District Master Plan and will provide retail space along Centre Avenue. The requested amount of HOF Rental Gap Fund (RGF) is \$414,700 with deed restrictions for 40 years. The term is for 35 years, 0% interest. The sources of the project include housing URA RHDIP funds at \$335,230, PHARE funds at \$500,000, and a deferred developer fee at \$703,145 along with URA commercial funding at \$700,000 and additional commercial resources. They have submitted a MWBE narrative and will be submitting a MWBE plan prior to closing.

The project addresses goals and priorities described in the Greater Hill District Master Plan by keeping the historic and cultural legacy of the Hill District, providing quality rental housing choices, and bringing new commercial space into a primary business corridor for the Hill District. The project will be located next to the New Granada Theater.

David Serbin, Hill Community Development Corporation was present.

Mr. Serbin stated the project was presented to the neighborhood and it received community support.

Mr. Masterson stated that if the development is going to be funded per unit, why wouldn't it match with the lower income limits. Ms. Smith Perry stated that the PHFA rent structure may vary slightly from the HOF rent structure. Once the units are occupied, the Hill CDC will report back as to the income and rent structure.

RECOMMENDATION 6 (2020)

Diamonte Walker made the motion for D. Granada Square Apartments - Recommend the approval of Rental Gap Program (RGP) funding in the amount of up to \$414,770 for the development of Granada Square Apartments in the Hill District. 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 July 5, 2020 with the stipulation to do further due diligence on the ability to obtain deeper levels of affordability at 50% AMI. Knowledge Build-Hudson seconded. Lena Andrews, Jerome Jackson, Sam Su and Sonya Tilghman abstained/ left the table for the discussion in accordance with the Conflict of Interest policy.

E. Manchester Row - Recommend the approval of For-Sale Development Program (FSDP) funding in the amount of \$210,000 for the redevelopment of nine rowhouses in the Manchester neighborhood to be resold for homeownership. The deed restrictions will be tied to three units at or below 80% AMI. The commitment will expire on July 5, 2020.

Staff Report

Manchester Citizens Corporation (MCC) and October Real Estate Holdings have formed a new, for-profit single-purpose entity, Manchester Row House Renaissance, LLC (MRHR), to renovate the deteriorated buildings (located on Warlo, Lake and Rush Streets) into nine, single family for-sale residences. MRHR will rehabilitate and sell the homes to income eligible buyers for homeownership. MCC is the non-profit applicant for the HOF funding.

The HOF For-Sale Development Program grant request is in the amount of \$210,000. The Advisory Board's funding recommendation will be presented to the URA Board of Directors on March 19, 2020.

Ms. Shaina Madden stated of the nine units, three will be sold to 80% AMI buyers with a sale price of \$115,000. The remaining six units will be sold for \$180,000 to buyers at 120% AMI. Three of the units will carry a 99-year affordability restriction period. The remaining six units due to other funding sources will have a minimum of 15-years affordability; however, Manchester Citizens Corporation has a strong commitment to the affordability of the units and has agreed that all nine units will have a 99-year affordability restriction. Other funds in the development include a \$1,077,600 construction loan from Dollar Bank, \$267,900 URA UDAG loan (pending), \$360,000 HUD upfront grant, and \$700,000 URA PHCF (NSP) funds. Manchester Citizens Corporation was unable to make it this morning due to a scheduling conflict.

Ms. Deming asked what the role of the community partner for the project includes?

Ms. Madden stated that Manchester Citizens Corporation is the project manager and is managing all aspects of the development.

RECOMMENDATION 7 (2020)

Mark Masterson made the motion for E. Manchester Row - Recommend the approval of For-Sale Development Program (FSDP) funding in the amount of \$210,000 for the redevelopment of nine rowhouses in the Manchester neighborhood to be resold for homeownership. The deed restrictions will be tied to three units at or below 80% AMI. The commitment will expire on July 5, 2020. Joanna Deming seconded. Sam Su abstained/ left the table for the discussion in accordance with the Conflict of Interest policy.

F. Discussion of Expiring Rental Gap Program commitments

Staff Report

Ms. Smith Perry stated that most of the 2018 and 2019 HOF Rental Gap Program (RGP) funding has been committed. Additionally, the 2020 Allocation Plan funds will not be received until the Spring. There are a few HOF RGP commitments that have not closed and have been committed for more than four months. A chart was shown to the Advisory Board that showed closed projects, projects that have expired commitments and have not closed, and projects that are still in the commitment period.

The projects that have closed and are under construction include: Riverview Towers, Centre Avenue YMCA, Parkview Manor, Mellon's Orchard, & Lemington Senior Home. Wood Street Commons is closing

next week, and Hazelwood Affordable Preservation is closing March 31, Stanton Avenue is scheduled to close in early April.

Projects that have expired and are not scheduled to close are: Five Points and the City's Edge. The City's Edge commitment expired on February 28, but they are not in a position to be able to close soon. The developer will be notified that if they are in a position to close in the future, they can reapply in the 2020 funding round.

Ms. Walker stated that funds need to be freed up to invest in Low Income Housing Tax Credit projects because for some of those investments, they would not be able to happen without the HOF funding.

RECOMMENDATION 8 (2020)

Adrienne Walnoha made the motion for the projects that were awarded funds from the Rental Gap Program (RGP) that do not have a scheduled closing and are past their expiration date be closed officially by the URA with those entities being welcome to reapply when they are in the window of a closure within four months. Kellie Ware-Seabron seconded. Joanna Deming opposed. Lena Andrews, Jerome Jackson, Sam Su and Sonya Tilghman abstained/ left the table for the discussion in accordance with the Conflict of Interest policy.

G. Update regarding the April 30th Housing Event and the 2019 Annual Report

Staff Report

Ms. Hage stated that the second Housing Celebration and Resource Fair is scheduled on April 30. The Fair will be held at the URA offices and is family oriented. Dinner will be served and there will be guest speakers. Last year there were 30 organizations that participated and 210 attendees. It is hoped to increase the attendance number this year. An RFP was sent for proposals from the pre-approved marketing/outreach firms to assist with the marketing and community outreach for the Housing Celebration and Resource Fair.

In addition, an RFP was sent for proposals from pre-approved marketing/outreach firms to assist with the 2019 HOF Annual Report.

H. Programmatic Updates, Expenditures, and Impacts

Staff Report

Ms. Smith Perry discussed the report showing expenditures.

Mr. Build-Hudson stated there is a saturation of funding being utilized in the East End. Is that the result of marketing or that people don't know what is available?

Mr. Masterson stated in the legislation that the funding is to be spread equally through nine council districts. There are a lot of opportunities in the commercial districts in every neighborhood in the City that have vacant buildings and upper vacant units that could be reused. It is a tremendous opportunity to be able to have affordable rental units throughout the city that complement the homeownership strategy. There is a need to be intentional in outreach.

I. Announcement – The April HOF Advisory Board Meeting will be held in City Council Chambers on April 2, 2020.

Public Comment

Swain Uber, PPSA, asked whether there will be an appointment of a Chair since vacancies on the Advisory Board have been filled.

Ms. Smith Perry stated that the Chair discussion was delayed because there was not a full board. Currently, there are 16 board members and the URA seat is still vacant. However, there are seven or eight people who will be changing in April. When the new board members start, discussion of a Chair can take place.

Megan Confer-Hammond, Program Director, Fair Housing Partnership, stated there are proposed revisions to the Affirmatively Furthering Fair Housing (AFFH) rule, and it is open to public comment. In the fair housing community, there is a lot of effort across the country to show support for the AFFH. Additional information can be sent to the Advisory Board members with the link.

J. Adjournment

There being no further business, the meeting was adjourned.