

Minutes of the Regular Meeting of the Housing Opportunity Fund Advisory Board of the Urban Redevelopment Authority of Pittsburgh, City of Pittsburgh YouTube channel.

August 6, 2020

Members present Lena Andrews, Jamil Bey, Knowledge Build-Hudson, Joanna Deming, Jerome Jackson, Theresa Kail Smith, Mark Masterson, Sonya Tilghman, Derrick Tillman, Diamonte Walker, Adrienne Walnoha, Kelli-Ware Seabron Megan Winters

Staff members present Jessica Perry Smith, Breanna Benjamin, Jeremy Carter, David Geiger, Vethina Hage, Doren Hilmer, Shaina Madden, Evan Miller, Brett Morgan, Sara Shore

#### **A. Public Comment**

Alex Jackson, cofounder of the Pittsburgh chapter of Data for Black Lives and public policy student at Carnegie Mellon University, commented on the loss of black residents in the City of Pittsburgh in part due to the lack of affordable housing in the city.

#### **B. Roll Call**

Jessica Smith Perry called the meeting to order. A quorum was not reached at the time but did occur before any voting items happened.

#### **C. Review and Acceptance of Minutes from the July 2, 2020 Meeting**

The minutes of the Regular Board Meeting on June 4, 2020 were unable to be voted on as a quorum was not present but were voted on later.

#### **D. Fair Housing Presentation**

Megan Confer-Hammond, Interim Executive Director of the Fair Housing Partnership (FHP), and Jay Dworin, Housing and Urban Development (HUD) Fair Housing and Equal Opportunity Office (FHEO), gave a presentation on the relationship and differences between affordable housing and fair housing practices. The presentation highlighted that while affordable housing addresses housing needs based on income, fair housing addresses housing needs based on systematic discrimination; and how policies addressing affordable but not fair housing exacerbates inequity. The presentation examined demographic data on Pittsburgh as well as HOF allocation data, and how that data can be used to create equitable policies for HOF programming.

#### Questions and Comments

Adrienne Walnoha charged the HOF to incorporate conversations on equity into planning for the 2021 allocation plan.

Derrick Tillman asked if FHP will have an ongoing engagement with the HOF advisory board as the board moves into the next phase.

Jay Dworin stated that the FHP has been willing to have the role. The FHP is willing to commit and assist in any way to participate in the process to have a fairer and more equitable Pittsburgh.

Diamonte Walker commented on the presentation regarding where people are buying homes and noted that people often want to buy homes in the community where they grew up.

J. Dworin stated that the role of fair housing has two lenses. One lens is about housing choice, which means people are made aware of opportunities; and the other is investment in otherwise historically disinvested communities.

Jamil Bey emphasized the importance of discussing disparity studies and data in mortgage lending.

Joanna Deming suggested adding the criteria of permanently furthering fair housing when selecting projects. She also asked if the URA would be willing to put out a statement regarding the recent rule change at HUD around furthering fair housing.

J. Smith Perry replied that she does expect the URA to come out with a statement.

A. Walnoha asked M. Confer-Hammond and J. Dworin if they have microlevel data from individuals through focus groups or pointed interviews to collect nuanced perspectives, and if that data could be shared with the Board.

M. Confer-Hammond replied that data collection is a hurdle.

D. Tillman asked if the presentation can be shared with the board.

J. Dworin replied the presentation can be emailed to J. Smith Perry to be distributed.

### **C. Review and Acceptance of Minutes from the July 2, 2020 Meeting**

J. Smith Perry acknowledged that Sonya Tilghman and Derrick Tillman have arrived since roll call. Quorum now present.

Mark Masterson moved to approve the minutes of the Regular Board Meeting on July 2, 2020 as written and previously distributed. Derek Tillman seconds. The motion carried.

### **E. Homeowner Assistance Program (HAP) Program Administrators – Recommend the approval of contract amendments for administrators for the HSP / HSP-COVID Programs.**

#### Staff Report

Jeremy Carter requested approval to increase contract amendments for three of the Homeowner Assistance Program (HAP) administrators: Hilltop Alliance, Rebuilding Together Pittsburgh, and Low Country Building Solutions. All three administrators are at capacity and ready to take on more projects.

The request is for an increase of \$250,000 for Hilltop Alliance, \$200,000 for Rebuilding Together Pittsburgh, and \$285,000 for Low Country Building Solutions. The awards will come from 2020 funds.

Questions and Comments

None.

**RECOMMENDATION 16 (2020)**

Sonya Tilghman made the motion for E. Homeowner Assistance Program (HAP) Program Administrators – Recommend the approval of contract amendments for administrators for the HSP / HSP-COVID Programs. Mark Masterson seconded the motion. Lena Andrews and Joanna Deming abstained in accordance with the Conflict of Interest policy. Motion carried.

**F. For-Sale Development Program (FSDP) Predevelopment Loan in the amount of \$ 52,000 for the Hill Community Development Corporation for the Bedford Avenue for-sale housing development.**

Staff Report

Sara Shore reported the Hill Community Development Corporation (Hill CDC) requests \$52,000 for for-sale development (FSDP) pre-development loan in order to finance activities related to six (6) affordable for-sale single family homes on the 2700 block of Bedford Avenue. The block consists of fifteen (15) contiguous townhomes that were built in 1930. The Hill CDC plans to renovate the interior and exterior of six (6) of these homes. Of the remaining nine (9) homes on the block, five (5) are currently occupied.

The \$52,000 in pre-development loans will be used for design development, appraisals, maintenance, legal costs, and financing fees among other things. In addition to the URA funding, the Hill CDC will use their own equity as well as a PNC line of credit to finance the required 50% match of this FSDP pre-development loan. The loan will have 0% interest, will be paid at time of closing, and go into the construction financing to be used as a source of construction expenses.

These two-bedroom units will be offered to households at or below 50% of the Area Median Income (AMI).

Nancy Noszka, Senior Real Estate Associate for the Hill CDC, stated that the Hill CDC recently received condemnation notices on these properties. The organization is also applying for a blight remediation to get the properties under construction as soon as possible

J. Smith Perry stated that this project will have a 10-year affordability period.

Questions and Comments

J. Deming asked if the award will come from 2020 funds. J. Smith Perry clarified these will come from 2018 funds.

N. Noszka stated that the 2700 block of Bedford Ave is one of the few blocks that has remained standing over time, and how the block needs saved from a historic perspective.

David Serbin, Real Estate Development Manager for the Hill CDC, added that the organization tries to move people from renting to owning their homes.

J. Deming asked if there is a budget for the development phase.

D. Serbin replied that there is a draft budget, but they still need to finalize the drawings before finalizing the budget. The organization may still need to apply for gap funding for the construction phase.

#### **RECOMMENDATION 17 (2020)**

Joanna Deming made the motion to approve F. For-Sale Development Program (FSDP) Predevelopment Loan in the amount of \$ 52,000 for the Hill Community Development Corporation for the Bedford Avenue for-sale housing development. Jamil Bey seconded the motion. Mark Masterson, Sonya Tilghman and Derrick Tillman abstained in accordance with the Conflict of Interest policy. Motion carried.

#### **G. For-Sale Development Program (FSDP) Loan in the amount of \$150,000.00 for the Hazelwood Affordable Homeownership Program Phase IIIB.**

##### Staff Report

Evan Miller requested approval for a \$150,000 for-sale construction loan in support of the Hazelwood Affordable Homeownership Program (HAHOP) Phase IIIB with the Hazelwood Initiative. HAHOP aims to provide deeply affordable for-sale housing opportunities for longtime renters in the neighborhood, furthering the neighborhood's overall strategy of development without displacement. The organization created six (6) units in Phase III. Phase III is split between Phase IIIA and IIIB. HAHOP was awarded a 2019 Federal Home Loan Bank affordable housing grant, which they used to start Phase IIIA. HAHOP now must fundraise for the construction financing of Phase IIIB, which are the remaining three (3) units.

The \$150,000, funding \$50,000 per unit, will be a construction loan. Upon the sale of the units to the end buyer, the funds will come back to HOF for reinvestment into similar types of projects. The URA Real Estate Loan Review Committee approved this project for deferred second mortgage financing.

The affordability deed restriction for all six (6) units will be 10-years. This requires that the resale of the property must be affordable to a buyer at or below 80% AMI and at a sales price that is affordable at that income level. The project is on track with its Minority- and Women-Owned Business (MWB) and diversity goals with the URA. There will be a completed plan before actual construction closing for Phase IIIB.

##### Questions and Comments

None.

#### **RECOMMENDATION 18 (2020)**

Jerome Jackson made the motion to approve G. For-Sale Development Program (FSDP) Loan in the amount of \$150,000.00 for the Hazelwood Affordable Homeownership Program Phase IIIB. Knowledge Build-Hudson seconded the motion. Sonya Tilghman abstained in accordance with the Conflict of Interest policy. Motion carried.

**H. For-Sale Development Program (FSDP) Loan in the amount of \$128,000 for Woodland Avenue Phase IIIA**

**I. For-Sale Development Program (FSDP) Grant in the amount of \$133,611 for Woodland Avenue Phase IIIA**

**J. For-Sale Development Program (FSDP) Grant in the amount of \$140,000 for Woodland Avenue Phase IIIB**

Staff Report

Brett Morgan requested approval for a combination of FSDP loan and grants for Phases IIIA and IIIB of the Woodland Avenue Revitalization Project. Collectively, this is the third and final phase of the project. Brightwood Civic Group is the borrower and Northside Leadership Conference is the development consultant.

Phase IIIA consists of the rehabilitation and sale of four (4) units and Phase IIIB consists of two (2) units. The project is divided into two phases because some units are eligible for funds from the Neighborhood Stabilization Program. The four (4) units in Phase IIIA are receiving those funds through a Pittsburgh Housing Construction Fund (PHCF) loan. The other two (2) units are not eligible. All six (6) units will be rehabbed and sold to buyers at or below 80% AMI, and all six (6) will receive deferred second mortgages through Housing Recovery Program-Developer (HRP-D).

The funding for Phase IIIA includes a \$128,000 HOF FSDP loan and a \$133,611 HOF FSDP grant. The total HOF commitment for Phase IIIA is up to \$261,000. This is within the \$70,000 maximum per unit across the four (4) units. The loan has a 0% interest rate, 24-month term, and would occupy the second lien position behind the primary WesBanco construction loan of \$509,440. The funding for Phase IIIB includes a \$140,000 HOF FSDP grant. Each of the two (2) units would receive the maximum \$70,000 per unit.

Given that all six (6) units receive a combination of the HOF FSDP grant or loan, there will be a 99-year affordability restriction placed on all six (6) units.

Darnell Jackson, Real Estate Director for Northside Leadership Conference, thanked the Board for its commitment to affordable housing and the City of Pittsburgh. The Northside Leadership conference is beginning to look at other streets in the Marshall-Shadeland. Also, thanks to the URA, Northside Community Development Fund, and other partners for their support.

Mark Falta, Executive Director for the Northside Leadership Conference, shared stories of homebuyers of the Woodland Ave properties, and spoke to the rebuilding of the homeownership base in the community.

Questions and Comments

J. Deming asked if there has been conversation on stewardship of the property with organizations such as City of Bridges Community Land Trust.

M. Falta replied that this referral can be made back to Brightwood Civic Group.

**RECOMMENDATION 19 (2020)**

Joanna Deming made the motion to approve

H. For-Sale Development Program (FSDP) Loan in the amount of \$128,000 for Woodland Avenue Phase IIIA;

I. For-Sale Development Program (FSDP) Grant in the amount of \$133,611 for Woodland Avenue Phase IIIA; and

J. For-Sale Development Program (FSDP) Grant in the amount of \$140,000 for Woodland Avenue Phase IIIB.

Jerome Jackson seconded the motion. Motion carried.

## **K. Updates**

### **(1) The Community Ambassador Program**

#### Staff Report

J. Carter reported that Omicelo advertised the request for proposal for two weeks. Advisory board representatives, URA representatives, and other stakeholders discussed the received applications. After those meetings, Omicelo selected four (4) agencies to become Community Ambassador organizations: Wellness Collective, Fineview Citizens Council, Hazelwood Initiative, and Homewood Children's Village. There are also conversations about Homewood Children's Village possibly working with Operation Better Block. Of the awards finalized, there will be at least nine (9) ambassadors throughout these organizations.

#### Questions and Comments

A. Walnoha commented that due to the congested timeline, there were opportunities for people to apply but there was also difficulty given COVID and the restrictions resulting from it. Acknowledges the application period was short, but states that the plan is to constantly benchmark and maintain community conversations on how to move forward with potential expansion.

Jerome Jackson clarified that Operation Better Block has not had any conversation about the program with Homewood Children's Village and are not presently in any conversation about the Community Ambassador Program.

J. Smith Perry noted that some advisory board members are part of these organizations. Joanna Deming is part of Fineview Citizens Council and Sonya Tilghman is part of Hazelwood Initiative.

### **(2) The Chair Position and Creation of Bylaws**

#### Staff Report

J. Smith Perry recounted from the last meeting that the advisory board does not have a description for a Chair, nor does it have bylaws. The legislation tasks the advisory board with approving the allocation plan and holding quarterly meetings. This board chooses to hold monthly meetings for public engagement.

The URA will hire a consultant to conduct a study of nationwide best practices to report how other cities operate their trust funds, how public engagement is involved, and the role of their advisory board. The consultant will also interview current HOF advisory board members. The consultant will create the bylaws and draft the Chair description. J. Smith Perry reached out to HR&A Advisors, who submitted a proposal for a four-week engagement to do this work. The goal is for the URA to hire HR&A Advisors and have them under contract by next week.

#### Questions and Comments

Kellie Ware-Seabron asked about the option to do a questionnaire to get all advisory board members' input rather than only a few, followed by more in-depth conversations with a select group.

J. Smith Perry will give that recommendation to HR&A Advisors.

### **(3) The 2019 Annual Report**

#### Staff Report

J. Smith Perry stated that the 2019 Annual Report is published and available on the website at [ura.org](http://ura.org). Thanks were given to HOF staff members Jeremy Carter and Vethina Hage, and consultant group E Holdings Inc. for their work on the report.

#### Questions and Comments

None.

### **(4) The 2019 Audit**

#### Staff Report

J. Smith Perry stated that the 2019 audit was due June 30<sup>th</sup>. The audit is completed and available. Email Jessica Smith Perry at [jsmithperry@ura.org](mailto:jsmithperry@ura.org) if you would like to request a copy.

#### Questions and Comments

None

### **(5) The 2021 Annual Allocation Plan Process**

#### Staff Report

J. Smith Perry stated that the HOF is legislated to be funded out of the City of Pittsburgh's operating budget in the amount of \$10 million. The legislation mandates the HOF engage in a public process and have an allocation plan presented to the Advisory Board, the URA, and City Council for final votes before the end of the calendar year.

The proposed timeline is as follows:

- August 2020: Release a Request for Proposals for firms to help with community outreach. Accept three to four respondents to enter into contracts at roughly \$1,000 each. Respondents will host one large Zoom meeting and disperse information through their networks. The HOF staff will craft a survey with the input from volunteers of the advisory board.
- September 2020: Survey opens. Public meetings are held.
- October 2020: Advisory board drafts an allocation plan.
- November 2020: Final vote from the HOF Advisory Board. Final vote from the URA Governing Board on the second Thursday of November. Introduction to the City Council by the third week of November.
- December 2020: Final vote from the City Council.

### Questions and Comments

A. Walnoha suggested convening a special and distinct group of members who want to participate in conversations about strategies for outreach and community engage, data collection, and other topics in August.

Vethina Hage replied that the August 24<sup>th</sup> meeting can also be used as time to conduct a work session for interested advisory board members.,

A. Walnoha asked to discuss if that meeting can be used to discuss the format and strategy of community engagement.

V. Hage replied that a reason for issuing the RFPs is to diversify outreach and methods. The awards will not be given until after the August 24<sup>th</sup> meeting, so feedback can be incorporated from Advisory Board members.

K. Ware-Seabron asked if the RFP will be sent to the existing outreach list-serv or broader.

V. Hage replied that the RFP will be sent to the existing list-serv.

D. Tillman stated the need for intentionality in the timeline to discuss fair housing practices and strategies.

J. Smith Perry stated that if the Advisory Board views its role as helping to craft policy, perhaps the meetings are better spent on policy discussion rather than reviewing individual development loans.

D. Tillman replied that he thinks the Advisory Board should be part of the URA loan process, but rather advocates for time for both presentations and policy discussions.

K. Ware-Seabron suggested implementing rounds of funding to free up meetings for more policy discussions.

A. Walnoha suggests incorporating different mechanisms of voting on issues to give due diligence to both the administrative items and policy conversation and implementation.

## **L. Programmatic Updates, Expenditures, Impacts, and Policy Discussion**

### Staff Report

V. Hage presented a map and charts of commitments and closings to date of HOF programs throughout Pittsburgh. The Housing Stabilization Program (HSP) received additional funding through CDBG, corporations, and foundations as a response to COVID. To date, HSP funds are over half committed. Overall, HOF has closed or committed \$19,843,526 and has \$7,156,474 in uncommitted funds remaining for the year.

The presentation also included a chart to demonstrate expenditures for programs by dollars and unit amount by AMI level. 777 households at or below 30% AMI have been served by HSP compared to 248 households between 30% and 50% AMI. Between July and August, there was a 500 household and \$1.5 million expenditure increase in HSP. This increase is due to demand and service providers getting caught up on invoices.

Since the creation of HAP Plus, HOF has received 70 applications and 52 of those projects are currently in process. There has been an increase in demand for home repairs. Presently, HOF receives 40 to 50 applications per month for HAP and that number continues to climb.

#### Questions and Comments

D. Tillman requested that future reports include demographic data.

K. Build-Hudson requested a map for each program to have a clearer understanding of impact.

D. Tillman suggested using more distinct colors for programs.

K. Ware-Seabron suggested map breakdown between rental programs and owner programs to demonstrate where programs are providing more permanent wealth building opportunities

#### **M. Announcement**

The next HOF Advisory Board meeting will be held via Zoom on September 3, 2020 at 9:00 am.

#### **N. Adjournment**

There being no further business, the meeting was adjourned.