

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

October 19, 2020

Members present: Lena Andrews, Oliver Beasley, Jamil Bey, Joanna Deming, Knowledge Build-Hudson, Mark Masterson, Paul Spradley, Sonya Tilghman, Derrick Tillman, Adrienne Walnoha, Kellie Ware-Seabron, Megan Winters

A. Public Comment

Christine Kirby, Director of Development and Advancement at Neighborhood Legal Services (NLS), gave comment to request that the HOF Advisory Board include a set aside for legal services as a grant funded program rather than fee-for-service in its 2021 allocation plan. While NLS has a contract with the URA, it has served few people because clients must choose between legal and rental assistance. Within the last six weeks, NLS received 350 calls for eviction help in Allegheny County. This is a significant increase in requests. If the trend continues, eviction prevention requests will represent 50% of total caseload. She stated that NLS would like to expand advocacy staff to address eviction prevention. She noted an attorney can manage 125 to 150 eviction cases, and the cost for an attorney and support staff is \$100,000 - \$125,000 per person.

Swain Uber, attorney with the Community Justice Project, gave comment in support of the need for legal assistance. He requested two changes as it pertains to HOF's funding of legal representation for eviction prevention: 1) Set aside funding as a grant rather than a fee-for-service model so NLS can serve as many clients as possible with a specific hire; and 2) allow tenants to receive both legal assistance and rental assistance in tandem. He suggested allocating approximately \$500,000 to legal services for NLS to continue the program the organization implemented with CARES funding.

Megan Confer-Hammond, Interim Executive Director of Fair Housing Partnership, gave comment for consideration of the draft allocation. The three suggestions were as followed:

1. Ensure that programmatic funding has a fair housing understanding of projected outcomes and targeted data for collection at the final approval of the allocation plan.
2. Support landlord-tenant advocacy by providing legal assistance for landlord-tenant evictions.
3. Have funds available immediately, particularly for renter and foreclosure programs, in January 2021 due to the ending of federal protections related to COVID.

B. Roll Call

Jessica Smith Perry called the meeting to order. A quorum was present.

C. Review and Acceptance of Minutes from the October 1, 2020 Meeting

Mark Masterson moved to approve the minutes of the Regular Board Meeting on October 1, 2020 as written and previously distributed. Jamil Bey seconded. The motion carried.

D. Discussion and Preliminary Vote for the 2021 Allocation Plan

J. Smith Perry reviewed the legislated uses for the funds and recapped the process of developing the draft allocation. She explained that the advisory board members drafted individual plans which were aggregated together for discussion during this meeting.

Vethina Hage delivered an overview of the 432 community survey responses that were collected during community outreach for public input on the 2021 Annual Allocation Plan. Overview included survey respondents' demographics and representation, rank of current and potential HOF programs, and top answers to identifying the most important housing issues.

J. Smith Perry noted that the framing of the question to generate the ranking of HOF programs was framed as "What is the most important housing goal right now?" The selection of the answer "building more affordable housing for rent" was considered a selection of the Rental Gap Program. The Rental Gap Program was rated as the number one current HOF program.

Jaime Reese delivered an overview of the rankings for both the existing programs and other eligible uses of the HOF funds as segmented by demographics. These segmented demographics categories included Homeowner, Renter, Minority Identity, Blacks or African American Identify, 65+, Housing Professional or Advocate, and Have Experienced Housing Crisis. Of the other eligible uses, all categories ranked "making affordable housing permanent" as number one. She also gave an overview of the open-ended responses about affordable housing priorities in Pittsburgh. The most common responses indicated an urgent need for affordable housing and protections for Black, Indigenous, and people of color (BIPOC) and minority renters from neglectful landlords. The need for COVID-related support was evident in open-ended responses.

J. Smith Perry noted the data presented by V. Hage and J. Reese was presented to the advisory board during the working group meeting on October 19th.

J. Smith Perry explained that 72% of the advisory board members completed the individual plans to be aggregated into the drafted allocation plan. She presented both the average allocation plan from advisory board members and the URA staff recommended allocation plan given the requirements of HOF funding across AMI levels and administration.

Kellie Ware-Seabron expressed concern that foreclosure prevention is listed as its own line item on the advisory board allocation plan given that foreclosure prevention has been incorporated in other programs such as legal services and the Housing Stabilization Program (HSP).

J. Smith Perry noted that mortgage payments are now part of the assistance offered by HSP.

Jeremy Carter explained that primarily non-HOF funds such as CARES Act CDBG funds were used to expand HSP assistance to include mortgage assistance in April. Since the expansion of the program, there have been very few referrals for mortgage assistance.

Mark Masterson asked for the reason for few referrals. He speculated if the reason for the low number of referrals is due to the previous slowdown of the courts.

J. Carter responded that the CDC moratorium will expire at the end of the year and the URA anticipates a surge of mortgage holders requesting assistance in the first quarter. He observed that homeowners have entered forbearance with lenders, and government-sponsored enterprises (GSE) have followed federal guidelines on moratoriums set to expire at the end of the year.

K. Ware-Seabron asked if there has been marketing for the mortgage program.

J. Carter affirmed but stated the URA could do more. A series of events have been planned for community members and lender partners to make them aware of the URA's mortgage assistance.

Joanna Deming offered to lead the advisory board discussion and consideration of the allocation plan.

Knowledge Build-Hudson asked why there are remaining funds for the 30% AMI column on the advisory board member allocation but not the URA staff suggested allocation. He asked if forms completed by the advisory board members had been altered.

V. Hage responded that there were last minute changes to the form over the weekend done by the Advisory Board members which may have created a gap in how the form was totaling.

J. Smith Perry repeated her understanding of the situation as follows: On Friday, the calculations were averaging accurately. On reviewing the spreadsheet this morning, some board members changed their allocation. Those calculations, being the most recent, are what is being presented.

J. Smith Perry recommended that calculations from Friday be presented.

V. Hage presented the figures from Friday.

J. Deming noted that the advisory board averages look more reflective of the staff suggestions except for the line item Legal Help. She asked for clarity as to why.

J. Smith Perry explained that in setting up a new program, the URA wants to ensure it can extend the funds quickly and not have any funds left over. The URA is being asked to create a new program. This will require an RFP for law firms to respond. She believed staff suggested funding is enough to meet this expectation. If more funding is needed, Demonstration Dollars are available. An alternative is to pilot one demonstration program and include legal help in that program.

J. Deming responded that for the program to work better, there needs to be more money allocated to it.

J. Smith Perry stated that there is already \$130,000 identified for legal services under contract that have not yet been spent.

J. Deming asked if the URA is open to the grant model previously discussed to provide legal and rental assistance.

J. Smith Perry Noted that a HOF Advisory Board committee will be convened to form legal assistance program guidelines.

J. Carter added that existing resources and services are ready and available for when the eviction moratorium ends.

Jamil Bey noted that for the Homeowner Assistance Program (HAP) the advisory board members averaged just over \$1 million for 30% AMI and \$560,000 for 50% AMI while the staff suggestion allocated more for 50% AMI than 30% AMI. He asked for insight into staff allocation.

Lena Andrews stated the main difference in the advisory board and staff suggestions are the amount of funds allocated to the 30% AMI and 50% AMI in both the Rental Gap Program (RGP) and HAP.

J. Carter responded in reference to HAP. He stated that based on the existing pipeline, there are more homeowners in the 50% AMI bracket than in 30% AMI.

V. Hage reminded advisory board members that the 50% AMI funding applies to 50% AMI or below so it can also be used for households at 30% AMI or below.

Sonya Tilghman asked for URA staff to address L. Andrew's question regarding the demand for 30% AMI rental units.

J. Smith Perry stated that Low Income Housing Tax Credit (LIHTC) deals are required by the Pennsylvania Housing Finance Agency (PHFA) to have a certain amount of 30% AMI units. Alternatively, non-tax credit deals sometimes struggle to meet 30% AMI units.

J. Smith Perry asked if J. Bey and L. Andrews advocated to increase funding at 30% AMI for HAP in order to decrease funding at 30% AMI for RGP.

J. Bey affirmed advocating for this change in order to Focus on HAP Program and seniors in need with home repairs.

J. Deming stated having set asides help with balancing funding needs of renters and homeowners. The set asides can help with prioritizing homeowners at 50% AMI because that is where the funding exists. She agreed there is flexibility, but it is beneficial to set the priority.

K. Build-Hudson asked how many homeowners on the waitlist are outside the current funding brackets.

J. Carter stated that every dollar is committed to a project, and there are 70 to 80 people who do not have funding or preapproval. There are no unallocated funds.

J. Deming asked if J. Carter felt the current staff recommendation aligned with the pipeline.

J. Carter affirmed.

L. Andrews expressed concern that the \$3 million at 30% AMI for RGP will go to LIHTC projects and SRO units, but all other creative projects will be not unfunded because they do not have 30% AMI units.

K. Ware-Seabron asked if RGP funds are spoken for because of LIHTC awards.

J. Smith Perry responded that the LIHTC units will use 2020 RGP funds.

D. Tillman added that there needs to more marketing around existing programs like the Small Landlord Fund (SLF), which is another program that creates and preserves affordable housing.

J. Smith Perry responded that the SLF was rolled out in March or April 2020, right after COVID hit. She noted there has not been a lot of demand for the program, but the URA is open to rewriting the guidelines in 2021. The SLF is not funded with HOF funds.

J. Deming proposed a slight increase in the 50% AMI and slight reduction in the 30% AMI for the RGP allocation and make proportional adjustments in the HAP or Demonstration Dollars. The amount changed would be \$300,000 or less.

K. Ware-Seabron voiced concern about moving funds out of HAP.

J. Deming inquired about the income targets for HSP funding.

J. Carter responded that for renters it is 50% AMI or below and for mortgage holders it is 80% AMI or below.

The HOF Advisory Board reallocated \$100,000 from 30% AMI to 50% AMI for the Rental Gap Program, and reallocated \$100,000 from 50% AMI to 30% AMI for the Homeowner Assistance Program.

D. Tillman inquired about the volume of applications for DPCC compared to FSDP proposals.

J. Carter responded that DPCC applications have increased significantly since COVID. Prior to COVID, the URA close 8 to 10 DPCC loans a month. Last month, the URA closed 17 DPCC loans and is on track to continue that pace.

M. Masterson asked how many DPCC borrowers were over 80% AMI.

J. Carter responded that approximately 75% of DPCC closings were for borrowers under 80% AMI.

Evan Miller responded to the question regarding FSDP. Stated that there is still money for FSDP from past allocations, and the suggested staff allocation is to prepare for the ramp-up of utilization of the program. Units for FSDP will likely need the full amount available per unit which is currently set at \$70,000.

M. Masterson inquired about non-LIHTC deals on the rental side that could have affordability periods like developments using FSDP.

E. Miller responded that FSDP has a 99-year affordability period. If granted in the form of a loan, the affordability period is 10 years; however, that has occurred with only one project. For rental projects, there is now a minimum 40-year affordability period. Four or five projects have been willing to commit to a 99-year affordability period.

D. Tillman asked if the legal help will be intended to help renters and homeowners.

J. Smith Perry responded that it will be dependent on the to-be-crafted guidelines.

J. Deming remarked that the program guidelines should specify help for tangled title assistance as that is a barrier to home repairs.

J. Carter responded that there is an existing tangled title program with NLS that was funded at \$130,000. They have received a few referrals.

K. Ware-Seabron noted that tangled title is a very specific legal service. She agreed there is a need for other legal services beyond tangled title for low-income homeowners and agreed with the use of demonstration dollars for this purpose.

A. Walnoha asked if there is a source for data related to barriers on titles.

J. Deming suggested that service providers for home repairs and URA staff could probably indicate how many people were denied for tangled title.

J. Carter clarified that people are not denied for tangled title but rather are put on the waitlist until that issue is cleared.

A. Walnoha observed that it would be helpful to have a sense of the density of need to develop program strategies.

J. Deming recalled Hilltop Alliance stated that the organization helps approximately 10 people a year with tangled title.

J. Deming asked if advisory board members received the administrative breakdown in the annual report.

J. Smith Perry responded the breakdown was in the audit. The HOF is on track to expend \$1 million during a calendar year for staff time, consultants, annual reports, audits, etc.

RECOMMENDATION 20 (2020)

Knowledge Build-Hudson motioned for preliminary approval of the following funding amounts for the 2021 HOF Allocation Plan:

- \$4,100,000 for the Rental Gap Program (RGP)
- \$575,000 for the Housing Stabilization Program (HSP)
- \$650,000 for the Down Payment and Closing Cost Assistance Program (DPCC)
- \$2,340,000 for the Homeowner Assistance Program (HAP)

- \$735,000 for the For-Sale Development Program (FSDP)
- \$400,000 for Demonstration Dollars
- \$200,000 for legal help
- \$1,000,000 for administration

Kellie Ware-Seabron seconded the motion. No abstentions. No “no” votes. The motion carried.

E. Announcements

The draft 2021 HOF Annual Allocation Plan will be posted to the URA website for public feedback over the next two weeks.

The final HOF Advisory Board vote on the 2021 HOF Allocation Plan will occur on November 5, 2020.

F. Adjournment

Mark Masterson motioned to adjourn the meeting. Jamil Bey seconded the motion. The motion carried.

There being no further business, the meeting was adjourned.