

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

August 5, 2021

Members Present: Lena Andrews, Oliver Beasley, Jamil Bey, Joanna Deming, Knowledge Build Hudson, Jerome Jackson, Mark Masterson, Paul Spradley, Sonya Tilghman, Diamonte Walker, Adrienne Walnoha, Kellie Ware (Chair)

Staff Present: Breanna Benjamin, Jeremy Carter, David Geiger, Vethina Hage, Doren Hilmer, Victoria Jackson, Lisa Korade, Shaina Madden, Evan Miller, David Serbin

Others Present: Gene Boyer, Andrea Bustos, Rob Eamigh, David Finer, Alex Fisher, Abigail Horn, Abby Rae LaCombe, William LaMar, Phyllis Lavelle, Jeffrey Stein, Swain Uber, Wanda Wilson, Anne Wright

A. Roll Call

Kellie Ware called the meeting to order. A quorum was present.

B. Review and Acceptance of Minutes from the July 1, 2021 Meeting

Mark Masterson motioned to approve the minutes of the July 1, 2021 board meeting as written and previously distributed. Jamil Bey seconded. Lena Andrews and Diamonte Walker abstained. The motion carried.

C. Public Comment

No public comment.

D. Discussion of Program Guidelines

1. For-Sale Development Program

Evan Miller informed the HOF Advisory Board about updated guidelines for the For-Sale Development Program (FSDP). He announced that the URA has consolidated the Pittsburgh Housing Construction Fund (PHCF) into the For-sale Development Program and revised guidelines.

Joanna Deming asked how the reporting and the communication will change with regards to the Advisory Board.

E. Miller responded that which will be reported will continue to be specific to the units that are funded with the Housing Opportunity Fund dollars.

Mark Masterson asked if there are additional requirements associated with the other sources of funding that will now be attached to the local sources of funding.

E. Miller replied that the existing HOF requirements will stay in place and additional stipulations will not be added unless there is a federal funding source in the mix.

Kellie Ware asked if we plan to throw some HOF dollars into non-HOF projects to increase the affordability period from 15-years to 99 so that we are maximizing affordability periods.

E. Miller answered that it is a possibility, but a multi-source strategy has not yet been sorted out.

2. Homeowner Assistance Program

Jeremy Carter updated the Advisory Board on guideline changes to the Homeowner Assistance Program (HAP). He proposed the following changes:

- a. Increase the loan amount from \$25,000 to a maximum of \$30,000 and continue to include the \$5,000 grant.
- b. Provide up to \$5,000 grant for lead if using CDBG funding for lead remediation.
- c. Decrease the loan repayment terms from a 30-years deferred loan to a 20-years deferred loan, which will, after 10-years be forgiven at a rate of 10% per year for the remaining 10-year period.
- d. Homeowner Assistance Program Plus (HAP+) payment will increase approximately \$10 a month, due to the increase in available loan amount.
- e. Allow homeowners to choose their own contractors.

J. Carter added that the changes will take effect as soon as the URA board approves them on August 12th.

J. Deming asked J. Carter to provide some background around the rationale for the changes and if the fair housing lens was included when changing the guidelines.

J. Carter replied that the rationale for increasing the loan amount is many projects are exceeding the \$25,000 loan amount due to an increase in construction costs. He explained that it does not make sense to defer a \$30,000 loan for 30-years like a regular mortgage, and that, taking into consideration the lifespan of the work that is being done, a 20-year term is more appropriate. Lastly, he added that allowing homeowners to choose their own contractors will help to get through the project waitlist much faster.

Adrienne Walnoha commented that she wanted to echo J. Carter's statements about increased construction costs and the ability to do even targeted renovations. She thinks increasing the loan amount is incredibly helpful. She said that there is currently a deficit of construction providers and an incredible amount of competition across the city to get projects done. She added that it would be helpful to benchmark cost, for both materials and labor, related to those construction shortages in Pittsburgh and try to be as responsive as possible.

Sonya Tilghman asked J. Carter if the typical loan amount is the full amount, and if it makes sense for a smaller loan to have a shorter term.

J. Carter replied that a vast majority of projects are using the full amount, and there are many that receive waivers to go over the maximum just to be able to do the projects. There are a very small number of projects that are under \$20,000.

3. Small Landlord Fund

Jeremy Carter updated the Advisory Board on guideline changes to the Small Landlord Fund (SLF). He pointed out, that while SLF is not an HOF program, he wanted to provide some visibility on the guideline changes. He proposed the following changes:

- a. The program will move away from the PNC program related investment to have more flexibility with the funding, while maintaining UPMC PRI and Lincoln Land Institute LLR funding.
- b. The loan affordability term will be simplified to 10 years, with waivers available to increase to 15 years.
- c. The interest rate will be locked at 3% instead of the variable 3% to 4% rate.
- d. The program is offering six months of interest-only at the start of each project to allow time for setup and construction.

M. Masterson asked if the switch from PNC will affect the amount that is available.

J. Carter replied that it does not change the amount, only the source.

M. Masterson asked if, given that the shortage of housing units is at 30% of AMI, is there a way to encourage landlords to target units at that income level.

J. Carter responded one way to do that would be to incentivize them, maybe by offering a lower interest rate or no interest.

M. Masterson suggested taking grant funds from HOF to be able to offer interest-free loans and finding other ways to incentivize landlords to increase accessibility to housing choice vouchers across the city.

J. Carter asked M. Masterson to clarify if he was suggesting potentially demonstration or potentially funding the program through HOF.

M. Masterson answered that it could possibly come out of a demonstration piece for now, but it is something we should look at as part of the allocation plan moving forward.

K. Ware added that we have talked about adding some additional HOF sources to this fund to have more oversight and to bolster its strength.

M. Masterson said that we also have some demonstration dollars in the budget that we could possibly plug if we can get a projection of what the need or the demand would be and how to structure it.

K. Ware asked what the targeted completion date is for the outside consultant's assessment of the housing plan.

J. Carter replied that he believes the consultant is HR&A Advisors. He said they are actively working on the report and is not aware of a completion date.

M. Masterson questioned if landlords are using the fund.

J. Carter answered that there was a slow period through 2020, but in the last few months, there has been a big uptick of interest in applications – 3 have been approved and another 3-4 are in process.

K. Ware asked how many landlords can be funded through this program and what is the goal.

J. Carter replied approximately 25-30 units. He also asked M. Masterson if he was correct in understanding that the Advisory Board would like some pipeline information on this program to consider in the annual allocation plan discussion.

M. Masterson answered yes.

E. For-Sale Development Program – 3310 Camp Street

Victoria Jackson presented on HB Development's request for a \$100,000 construction grant to fund development costs associated with the construction of one affordable, single-family home at 3310 Camp Street in the Schenley Heights neighborhood of the Hill District. The structure will be a two bedroom, one-and-a-half-bathroom home at a sales price of \$180,000. The grant will be sourced through HOF 2019 FSDP funds, and the home will have a 99-year affordability restriction. She recommended a For-Sale Development Program (FSDP) construction grant in the amount of \$100,000 for development costs for 3310 Camp Street located in the Upper Hill District. This commitment will expire December 5, 2021.

A. Walnoha asked if these houses mirror any other more recent projects in Oakland.

Gene Boyer replied that he is not sure he understands the question but went on to explain that they offer three different roof elevation options with this model and would work with the individual CDC partner to contextualize that look to the neighborhood.

Shaina Madden provided context by adding that both Camp Street and Robinson Street are being developed by HB Development with this unit -- so they are two different voting actions but similar concept and development structure.

Knowledge Build Hudson asked if the request is for \$100,000 for each project or is it \$100,000 for both projects.

V. Jackson answered it will be \$100,000 for each project and that she will be making a very similar request for 227 Robinson Street.

L. Andrews asked if it was the same non-profit partner or two different ones.

V. Jackson replied that the non-profit partner for 227 Robinson Street is Oakland Planning and Development Corporation (OPDC).

L. Andrews asked for the total development cost of the house.

V. Jackson replied that the total development cost for 3310 Camp Street is \$270,500.

K. Ware questioned what the targeted AMI for the end buyer is.

V. Jackson responded at or below 80%.

K. Ware asked if the targeted price is \$180,000.

V. Jackson responded yes; they will be receiving \$40,000 in second-deferred mortgage financing to achieve the affordability for the buyer.

S. Madden pointed out that the second mortgage is not a voting action for the HOF Advisory Committee; it is through a URA program but enhances and compliments the deal.

K. Ware asked for clarification on if the \$40,000 is in addition to the \$180,000 or if the \$180,000 includes the \$40,000.

S. Madden responded correct; the sale price is at \$180,000 and we will provide a second mortgage which writes down the first mortgage to \$140,000 which is what the 80% AMI buyer will be paying on to their first mortgage lender.

K. Ware commented that she thought \$180,000 seemed a bit high for the affordability we would want to target; that makes much more sense.

S. Tilghman asked what the square footage is.

G. Boyer replied approximately 1,100 square feet.

A. Walnoha asked if any members were abstaining from voting on the projects.

K. Build Hudson questioned what the projected completion timeline is.

G. Boyer answered that once they get through the permitting process, the timeline is 12-16 weeks from start to finish. If all goes to plan, the house should be complete and ready to put on the market before the end of the year.

S. Tilghman asked G. Boyer if 1,100 square feet is relatively comparable for the Camp Street, but smaller for Robison Street.

G. Boyer replied correct.

S. Madden mentioned that Wanda Wilson is also on the call to speak to the Robinson Street partnership if anyone has questions for her.

G. Boyer asked Phyllis Lavelle if she was on the line and able to engage in the call.

Phyllis Lavelle commented that she wanted to confirm what was said about Camp Street, and the style of homes that are there. She added that the house fits right into the neighborhood.

Wanda Wilson, with Oakland Planning and Development Corporation (OPDC), added that we will include the home on Robinson Street as part of the Oakland Community Land Trust, which is our vehicle for making it permanently affordable and permanently homeowner occupied.

G. Boyer made the general comment that he and Jeffrey Stein appreciate the opportunity to partner with community nonprofit groups to increase the opportunity for people to own affordable homes. He added that what the Housing Opportunity Fund provides is what allows it to work.

K. Ware asked if there were any Advisory Board members abstaining from the vote on this project.

J. Deming abstained.

S. Tilghman abstained.

K. Ware asked V. Jackson to confirm that the request is for 2019 allocation For-Sale Development Program dollars.

V. Jackson confirmed.

K. Ware asked if there were any further questions.

L. Andrews made the comment that in the future it would be helpful to see a rendering with the project in context because she is having trouble imagining the scale.

S. Tilghman agreed.

RECOMMENDATION 27 (2021)

K. Build Hudson motioned to approve a For-Sale Development Program (FSDP) Construction Grant in the amount of \$100,000 for the development costs for 3310 Camp Street. J. Bey seconded. Abstentions are on record. The motion carried.

F. For-Sale Development Program – 227 Robinson Street

V. Jackson presented on HB Development's request for a \$100,000 construction grant to fund development costs associated with the construction of one affordable, single-family home at 227 Robinson Street in West Oakland. The structure will be a two bedroom, one-and-a-half-bathroom home at a sales price of \$180,000. The grant will be sourced through HOF 2019 FSDP funds, and the home will have a 99-year affordability restriction. She recommended a For-Sale Development Program (FSDP) construction grant in the amount of \$100,000 for development costs for 227 Robinson Street located in West Oakland. This commitment will expire December 5, 2021.

S. Tilghman asked why the construction period for this project is shorter.

G. Boyer answered that it will not be shorter. The projects are going to essentially run on the same timeline.

RECOMMENDATION 28 (2021)

M. Masterson motioned to approve the For-Sale Development Program (FSDP) Construction Grant in the amount of \$100,000 for the development costs for 227 Robinson Street. K. Build Hudson seconded. Abstentions are on record. The motion carried.

G. Legal Assistance Program – Outreach Services Agreement

J. Carter presented on the Outreach Services Agreement with RentHelpPGH for the Legal Assistance Program. RentHelpPGH will provide outreach services in the form of mailers, phone outreach, and in-person door-knocking. RentHelpPGH is currently subcontracted by Community Justice Project for the existing Legal Assistance Program contract. He recommended to increase the contract with Community Justice Project in the amount of \$45,000 for outreach services for the Legal Assistance Program.

J. Carter added that representatives from RentHelpPGH were on the call to answer questions.

Swain Uber with RentHelpPGH explained that they have a unique system in terms of being able to scrape all the dockets that are filed for people facing eviction and have a list of everyone within the city limits of Pittsburgh who have been filed upon for eviction proceedings. Additionally, through a second complimentary program, they are able to receive the complaint forms, which include addresses, and other information, making them better able to make contact.

M. Masterson asked what resources are available to help families not lose their homes in a pandemic to get a sense of what HOF should focus on.

S. Uber responded the biggest resource available now is the Emergency Rental Assistance Program (ERAP) that is run through ACTION Housing, to which the city and the county have provided millions of dollars to pay back-rent.

J. Carter added that the ERAP Program is the main program to which we need to direct people to receive assistance through the pandemic. The Legal Assistance Program is going to be all that more critical for people to get legal defense for their eviction cases, and to take advantage of mediation and the limited legal assistance to figure out what their rights and options are.

M. Masterson wanted to make it know that ACTION Housing and Pittsburgh United requested that Judge Clark extend the eviction moratorium, and suggested that the city and the URA might want to join in.

J. Carter said he got the email regarding the eviction moratorium and will forward to leadership.

S. Uber replied that would be a big step and would provide additional protections for people in Allegheny County.

RECOMMENDATION 29 (2021)

S. Tilghman motioned to approve the request to increase the contract with Community Justice Project in the amount of \$45,000 for outreach services for the Legal Assistance Program. A. Walnoha seconded. The motion carried.

M. Masterson asked K. Ware if there is anything the Advisory Board can do to recommend or make a motion that the city and the URA lend support to the local order that is being considered by Judge Clark.

K. Ware responded that we could draft a letter of support.

M. Masterson asked if a motion can be made, and how the board goes about doing that.

K. Ware suggested that someone on the Advisory board would need to draft it.

Diamonte Walker stated that she has not yet seen the email communication, but once she receives it, she will review it and then commission staff to see if we can get a draft circulated to the Advisory Board. She added that the Advisory Board is welcome to draft their own language as well and send that over for compilation.

S. Tilghman said it would be helpful to know if leadership intends to support that.

K. Ware suggested it might be helpful to have two separate letters because it shows more support.

D. Walker asked K. Ware to clarify if she is asking that URA staff spend staff time helping to draft the letter, or if she is saying that the advisory board will assign a designee to draft the letter.

K. Ware answered that is what we are discussing. Once that piece is determined, we will know what the ask is. She added that her recommendation is we do our own letter and urge the URA to support it. She concluded by asking if any Advisory Board member is interested in drafting the letter, and if that is the right course of action.

M. Masterson commented that the first question should be should we do it and asked if a motion needs to be made.

RECOMMENDATION 30 (2021)

M. Masterson made a motion to recommend to the URA to send a letter to Judge Clark, and to the Housing Opportunity Fund Advisory Board to draft a letter to send to Judge Clark in support of ACTION Housing and Pittsburgh United's letter. S. Tilghman seconded. L. Andrews abstained. The motion carried.

K. Ware questioned do we have a timeline for when we would like to get that get that out.

M. Masterson responded as quickly as possible.

L. Andrews said she thinks she can have a draft by Monday.

H. Transfer of Housing Stabilization Program

J. Carter presented on the transfer of the Housing Stabilization Program (HSP) to Allegheny County Department of Human Services. He is seeking authorization to enter into the cooperative agreement to make the transfer happen. The new program with DHS and Allegheny Link starts on September 1st. It is important to note that this is only for HOF money; CDBG-CV funds are not transferring. He recommended to enter into a cooperative agreement with Allegheny County Department of Human Services to Administer the Housing Stabilization Program. The maximum value of the cooperative agreement will be \$2,086,391.

J. Carter announced that DHS representatives are on the call to answer questions.

J. Deming asked if there is a reason the CDBG funds are not included.

J. Carter responded that was a decision by City OMB not to transfer.

J. Deming suggested that could create complications and asked if it will be considered in the future.

J. Carter replied that last he heard, the URA may still hold custody of the funds and would work with DHS, in the event that HOF funds are depleted, to bring in the CDBG funding.

M. Masterson asked if City Council needs to approve the transfer of CDBG funds.

J. Carter said yes.

K. Build Hudson asked if, after the Advisory Board votes, the process is in the URA's hands to continue.

J. Carter responded yes; we wanted to have at least until the end of summer to evaluate if things are going well and if both parties still want to do this. If everyone agrees it would go on auto renewal.

M. Masterson asked J. Carter what is the \$160,000 for IT referral and system build-out for.

A. Bustos responded we do have a referral process already in place in our IT system, and we needed to build in specifically the URA's assessment piece for prevention programs. She added that this is a one-time cost, so it will not be needed in the future. It is already implemented and operational and will be in place on September 1st.

J. Carter added the additional benefit of having it all housed under DHS and the HMIS system is that DHS could potentially provide us with other implications, as in, are people staying out of the system in general, not just the homeless system, but other DHS systems.

A. Walnoha said she is curious about what the notification system is going to look like and asked how current applicants will be transferred to the new system. She also wanted to know what the outreach strategy is to enroll new people.

J. Carter answered that the process should not be any different for the clients.

A. Walnoha asked if the URA will do a warm hand-off for inquiries they receive.

J. Carter answered absolutely.

A. Walnoha inquired, as we move forward with having these more integrative systems of information, do we think that there may be additional partnership possibilities.

J. Carter responded he thinks this is the pilot on how the integration can work between the City and the County on these types of programs.

Abigail Horn also responded to A. Walnoha's inquiry by saying that we are always happy to discuss data sharing agreements with organizations, so if HOF is interested in sharing their data and putting it into the DHS system, we can run all sorts of outcome data for you in terms of the people you are serving.

A. Walnoha said she thinks that this will be one of the things that is very important when we have our deeper fair housing conversations.

RECOMMENDATION 31 (2021)

A. Walnoha motioned to approve the recommendation to enter into a cooperative agreement with Allegheny County Department of Human Services to Administer the Housing Stabilization Program. The maximum value of the cooperative agreement will be \$2,086,391. S. Tilghman seconded. L. Andrews abstained. The motion carried.

I. Advisory Board Administrative Items

1. Committee Updates
2. Recap of RFP Working Group Session

M. Masterson reported the group has had three meetings so far. He thinks they will be ready to make a recommendation to the board at the September meeting.

3. Establish Marketing and Outreach Committee

K. Ware suggested it would be a good idea to start working on establishing a marketing and outreach committee.

A. Walnoha commented that her assumption is that the committee would really want to be focused on experts in the community, as well as Advisory Board membership and asked K. Ware if that is aligned with her thinking.

K. Ware responded with saying yes, our bylaws state that full members must be members of the Advisory Board, but she imagines that we will have additional roles to fill. She added that we also have five spots on the Advisory Board that are dedicated to representatives from certain communities.

A. Walnoha commented that it would be appropriate as a kick-off to solicit that expertise and input. She added that is very disappointing today to see no public comment.

K. Ware agreed.

J. Deming said in some ways are more accessible, and in some ways, we are less accessible being online, and a lot of it comes down to outreach and people understanding where to plug in.

K. Ware stated that the Advisory Board needs to formally vote to establish any committee, per the by-laws. After that, we can select a chair and staff from there.

RECOMMENDATION 32 (2021)

J. Deming motioned to establish a Marketing and Outreach Committee. K. Build Hudson s seconded. The motion carried.

K. Ware asked for volunteers to join the new marketing and outreach committee.

Paul Spradley volunteered to be on the committee.

S. Tilghman volunteered.

J. Deming said she is interested as well.

M. Masterson said he is interested in joining as a community representative.

A. Walnoha suggested sending out a message to members who are not in attendance stating that the committee has been established and the committee's purpose.

K. Ware said we can include that in the communication.

K. Ware asked if someone is interested in chairing the committee.

K. Build Hudson agreed to join and chair the committee.

4. Advisory Board Special Session for Draft Annual Allocation Plans must be scheduled between August 19-27.

K. Ware indicated that a doodle poll will be sent out to schedule the annual allocation plan meeting.

J. 2022 Annual Allocation Plan (AAP) Community Survey

Vethina Hage provided an update, explaining that the survey went out on June 21st and closed July 30th. The URA established a goal of collecting at least 400 responses. In total URA staff and consultants collected 488 responses. 2022 HOF survey findings will be presented to the HOF Advisory Board and public later this month.

K. Programmatic Expenditures and Impacts

V. Hage presented the Down Payment and Closing Cost Assistance Program (DPCC) dashboards. There have been 219 closings to this point. 109 of those closings are between the 50% and 80% AMI thresholds.

M. Masterson asked V. Hage to confirm that 109 were no higher than 80% AMI.

V. Hage correct.

V. Hage presented the Homeowner Assistance Program (HAP) dashboards. There are 234 projects that are either closed or in the process. There are 113 households that are at that 50% AMI. Funds for this program are mostly committed.

V. Hage presented a slide on the development programs. There are currently 46 For-Sale Development projects and 461 Rental Gap units.

V. Hage presented a slide which is a total snapshot of closed and committed, and funds that have not yet been committed. The slide includes funds up until 2021.

A. Walnoha asked for an update on any of the Rental Gap projects that are coming close on their closing deadlines.

V. Hage deferred to S. Madden and E. Miller for a response.

A. Walnoha said she does not need an answer today.

V. Hage said that information can be included in the pipeline.

V. Hage presented a slide that provides a breakdown by AMI for dollars and units. The Legal Assistance Program was added as a line-item.

K. Ware asked if that is being invoiced as they go, and suggested the numbers seem low.

J. Carter commented that we just started a couple of weeks ago.

L. Announcements

I. J. Carter informed the board that he is departing the URA, with his last day being August 25th.

II. The next HOF Advisory Board Meeting is Thursday, September 2, 2021, at 9:00 AM.

M. Adjournment