

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

September 2, 2021

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

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

Others Present: Chad Barnett (ASL Interpreter), David Finer, Alex Fisher, Christine Kirby, Joan Stone (ASL Interpreter), Heather Watson

A. Roll Call

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

B. Review and Acceptance of Minutes from the August 5, 2021 Meeting

Mark Masterson motioned to approve the minutes of the August 5, 2021 board meeting as written and previously distributed. Jamil Bey seconded. The motion carried.

C. Public Comment

Christine Kirby commented that, in the wake of COVID-19 economic devastation and with the eviction moratorium phasing out, legal representation and remediation are essential tools for preventing eviction and preserving tenants' rights. She commended the Advisory Committee, URA Board and staff, Vethina Hage, and Breanna Benjamin for creating the Legal Assistance Program (LAP). She recommended maintaining funding at current levels throughout 2022 and suggested that the allocation plan proposal of \$200,000 is extremely low. She proposed the funding should be kept at the \$500,000-\$600,000 level.

D. Advisory Board Administrative Items

1. Committee Updates

M. Masterson reported that the RFP Working Group has a recommendation on how the applications in the RFP process should be scored for the Rental Gap Program (RGP) for the HOF Advisory board to vote on. He proceeded to explain the scoring system.

Joanna Deming asked if the third bullet point is supposed to be worth 4 points, while the others are all worth 2 points.

M. Masterson replied yes, that is the scoring.

J. Deming said she thinks the fourth bullet point would be more impactful.

M. Masterson responded that the RFP Working Group wanted to make sure that there is effort put into making the community aware.

J. Deming replied that she believes the most important thing is that ongoing ownership and role; otherwise, they are aware but do not but do not have a stake in it.

J. Bey asked for clarification on how engagement and community are defined and questioned if a letter of support should be utilized.

M. Masterson answered that the group did not go that deep.

Lena Andrews said that J. Bey and J. Deming had great comments. She went on to explain that the group talked about communities where sometimes neighbors are opposed to projects just because they are affordable housing. She said that we must balance the desire for community support, because occasionally communities oppose projects for the wrong reason. The group did not want to include the requirement because it could prevent a project from happening in a neighborhood where affordability is really needed.

J. Bey responded that's the real balance, but this language here does not in any way get community support.

K. Ware pointed out that there are two different scales: one is for new development, and one is for preservation units, and they are a little bit different.

Shaina Madden asked if the committee would be interested in the requirement for a letter of input from the community, rather than a letter of support, to allow for the community to express their response and how they have been engaged.

J. Bey answered that still allows the committee or other folks to consider what the opposition is, and is it legitimate in relation to what we are trying to achieve. He likes the letter of input idea.

Knowledge Build Hudson questioned who is the community that will be responsible this input.

J. Bey suggested it could be a way for developers, in their engagement, to provide this opportunity and to report back about what residents had to say.

K. Ware said she thinks that is something that would be verified by URA staff as part of the application process.

Diamonte Walker explained when the URA Board authorizes funding requests, they do a preponderance of the communities' expressions of input, which come from a plethora of stakeholders. She said the Board typically looks at the robust nature of that engagement in the diversity of voices that were permitted to weigh in, but the priority is placed on those that are directly impacted by the development. She added that the community expression of input document is a policy of the URA's Board and has been very effective. Speaking to an earlier point, she said that the board is not only listening to supportive comments, but we are also

listening to folks that may have concerns and are ensuring that those concerns are remedied and addressed before any funding is authorized.

K. Ware, circling back to J. Bey's comment about definitions, asked if the definitions of the terms exist anywhere, or do they need to be created.

D. Walker answered she believes a document exists and will have staff share a copy with the Advisory Board.

Derek Tillman, referring to the discussion about timelines, suggested that developers be required to provide narratives of their community engagement processes, which they would need to complete prior to being funded.

M. Masterson responded that the group did discuss that, but there are different ways that projects come together.

M. Masterson summarized that a motion could be made if we amend the second bullet point to new projects and input to letter of input.

RECOMMENDATION 33 (2021)

M. Masterson motioned to adopt the recommendation as part of the scoring criteria for the RFP process. Sonya Tilghman seconded. The motion carried.

2. Agenda Structure

K. Ware asked the board for feedback on the current Advisory Board agenda structure.

Paul Spradley commented that he likes K. Wares recommendation of having folks providing some context of what is happening nationally. He went on to say that if we have some conversation around what is going on, either regionally or nationally, it will focus our conversations and provide a framework for those who might be joining for the first time. He said following that should be public comment, at which point we hopefully have quorum.

M. Masterson agreed with P. Spradley and said it is a great idea.

Adrienne Walnoha, wanting to echo those sentiments, said she thinks in the context and environment in which we are operating and making decisions, it is important for all of us to have a deeper understanding. She went on to say that having environmental issues, social issues, and funding issues brought to the table in a more structured way gives us even more ability to make good decisions for the community and with the community.

D. Tillman added he agrees with those comments. He thinks there are many things going on statewide, as well as nationally, that connect with the work that we are doing, and we want to be intentional that there is synergy with our recommendations.

J. Deming said that she wanted to make sure that we are all committed to coming as promptly as we can, and not creating something at the beginning of the agenda that people feel they can miss.

L. Andrews agreed with everyone's comments. She added, in terms of the section of the agenda at the end where we see the state and impact of the programs, it would be great to see some finished Rental Gap projects or hear a story about someone who was able to buy a house through the Homeownership Program. She said personal stories are more meaningful and more impactful than just seeing a map with dots on it.

J. Deming suggested reporting out on statistics at the beginning of meetings.

3. Recap of Advisory Board Special Session for Draft Allocation Plan

P. Spradley provided a recap of the Advisory Board Special session. He reported that the Board had the opportunity to talk about real need and the ongoing effects of the Global Health Pandemic. He explained that there are a lot of opportunities and a lot of challenges to stabilize affordable housing for the residents of Pittsburgh. He went on to say that the URA did an excellent job of providing information to help the HOF Board inform our decision. The URA's recommendations were based on the public survey that went out to some 400 plus diverse residents in the City of Pittsburgh. The board was provided with background and details on the HOF programs and were given the opportunity to make recommendations.

E. Annual Allocation Plan Community Survey

Vethina Hage provided an overview of the Annual Allocation Plan Community Survey findings. She reported the annual allocation plan was started in June this year and two RFPs were issued to engage community organizations to help with community feedback and engagement and to also help promote the survey. Pittsburgh United and Hilltop Alliance were contracted for a six-week period to conduct community outreach and engagement. Hilltop Alliance hosted three virtual community meetings and Pittsburgh United hosted two virtual community meetings. The survey was available online and over the phone. She added that the URA also engaged in various marketing campaigns to make sure that the URA reached all populations in Pittsburgh and have a diverse distribution of the survey.

V. Hage presented a slide that provided an overview of the demographics of the 488 survey respondents.

V. Hage presented a slide that showed how the survey respondents ranked existing and potential programs and how they would rank these efforts in terms of what is needed.

V. Hage presented a slide which showed segmented rankings for eligible uses covered by existing HOF programs and segmented rankings for other eligible uses.

M. Masterson, having a question about the slide presenting how respondents ranked existing and potential programs, asked if there was a big difference in the number of responses in the survey for the existing programs versus other eligible uses. Specifically, he wanted to know, was there a big drop-off for the other eligible uses and is that the reason they are segregated.

V. Hage responded no.

M. Masterson said this survey leads to the question are we offering the right programs and asked if there is a way to pull that answer from the responses.

K. Ware clarified with V. Hage that there were two separate questions where we ranked what we already do and then a separate item for other things we could be doing.

V. Hage yes.

V. Hage said it is worth noting that we did see making affordable housing more permanent come up frequently in the open-ended questions. She thinks that does speak to a need for that type of program that was not necessarily addressed in the ranking.

J. Bey asked V. Hage to confirm if she had said the respondents skewed towards homeowners.

V. Hage yes.

J. Bey continued with saying that we see programs like legal help and homeownership classes being de-prioritized in that population, so we should not take this as a mandate.

V. Hage yes, absolutely.

V. Hage presented a slide of segmented rankings, which better identifies the priorities of the different groups, like renters versus homeowners, for example.

K. Build Hudson asked, as far as the short-term financial health for renters in emergencies, everyone ranked it fifth.

V. Hage answered yes, everyone except housing professionals and advocates; they ranked it number two. She added, just to clarify, the specific question that was asked was how would you rank these in order of what is needed in Pittsburgh, number 1 being the most important.

K. Build Hudson noted that everyone voted high on legal help.

S. Madden commented that may be reflective of what Christine Kirby was saying during the public comments. The legal crisis surrounding homeownership and renters' situations might be coming at a higher rate now that the eviction moratorium has been lifted.

F. 2022 Draft Annual Allocation Plan

Evan Miller presented a slide of the 2022 Draft Annual Allocation Plan which lists a combination of all the programs currently offered and previously funded and walked the Advisory Board through each bracket and recommendation of the plan.

D. Tillman pointed out that he noticed the staff recommendations do not include any demo dollars. He said he thinks demo dollars have proven to be invaluable to projects supported in the past. He proposed

making the adjustment to add flexibility for something that does not fit as neatly into one of the other columns.

M. Masterson asked did we have unused demo dollars from previous allocations, and if so, how much.

V. Hage explained the reason URA staff did not recommend allocating anything towards demo dollars is we currently have \$600,000 of unused demo dollars.

K. Ware questioned if the demo dollars are assigned to any particular AMI.

V. Hage answered they go up to 80% AMI – we have \$400,000 that can go up to 80% AMI and \$200,000 that is split between 50% and 30% AMI.

M. Masterson, referring to C. Kirby's public comment, asked is it news to URA staff that she believes that they will need more than this allocation because moratoriums are ending, and evictions will be on the rise.

V. Hage replied that she believes Jeremy Carter did take that into account and anticipated the amount of legal assistance that will be needed throughout 2022.

J. Deming asked how the American Rescue Plan dollars and the creation of other programs affected these recommendations.

S. Madden explained we considered the fact there is \$5 million slated for Community Land Trust affordable housing development and our OwnPGH line-item initiative. So, those two initiatives received funding to support affordable homeownership. She went on to say, recognizing there is currently a balance of HOF funds in the FSDP Program, we know there is a strong pipeline of projects coming forward from our CDC partners. She added that we took into consideration the awards for the For Sale Development line item, because many of our CDC partners are not land trusts and cannot tap into those ARP funds. She said the RGP line item, regarding the American Rescue Plan, includes a preservation line-item for \$5 million, which focuses on supporting acquisition and preserving naturally affordable housing rental units that are at risk of going market rate. She concluded with saying we still see a huge demand and need for RGP because ARP is not supplementing or replacing those dollars in HOF.

J. Deming asked if the Rental Gap money is enough.

S. Madden answered we have the HOF 2021 RGP line-item in the amount of \$4.6 million that we will be RFP-ing out this Fall based on the recommendations that were discussed earlier in the meeting, and the 2022 dollars will become available in Spring of 2022.

D. Tillman questioned, if we have a record year like we did last year and get a lot of 9% deals in the city, is the URA prepared to be able to help fill those gaps with other sources.

S. Madden responded yes, between the balances in the 2020 line-items and URA specific sources for 2021, we can cover the commitments to the five 9% Tax Credit deals that submitted applications to PHFA in March of 2021.

D. Tillman replied that he is also thinking about 2022 and asked, if we are focusing on non-9% deals with these funds, where does that leave 2022 9% deals.

S. Madden answered that she is always thinking about balancing the timings of the program and the needs. She said we have a request into the Mayor's Office for the capital budget for 2022, which is envisioned to support those 9% deals.

J. Deming asked do we remove the demonstration dollars and move the \$200,000 to a different category.

K. Ware said she thinks the \$200,000 needs to stay in the 30% AMI and below column.

M. Masterson suggested putting it into Legal.

K. Ware asked for clarification on how much carryover we have for legal assistance from this past year.

V. Hage responded that Legal is currently funded at \$1 million.

V. Hage forwarded to a slide that shows what is left and committed. She explained that under demonstration you will see \$800,000, and in that \$800,000, \$200,000 is approved to be used towards legal assistance. So, if you move \$200,000 from the demo to legal assistance, we have about a million in legal assistance right now.

L. Andrews questioned, if we run out of money for the Legal Assistance Program, can we use the demo dollars for legal.

V. Hage absolutely

L. Andrews said she would vote for doing that so that we have the added flexibility.

A. Walnoha agreed.

J. Deming commented that she wants to support some of the preservation of affordable homes and that some of those demonstration dollars could be an option.

D. Tillman said he thinks that is part of the thought process with the Rental Gap for this round, that those funds can support preservation projects.

V. Hage went back to the original Draft Annual Allocation Plan slide and asked are we switching anything or are we sticking with this 2022 draft.

D. Tillman said he would vote to support the 2022 draft if we were voting today.

K. Ware added she is comfortable with advancing the 2022 Draft Annual Allocation Plan as well.

S. Tilghman agreed.

Jerome Jackson also agreed.

K. Build Hudson asked to revisit the Down Payment and Closing Cost Assistance Program and discuss how people voted on the surveys to make sure it is not overlooked.

E. Miller added, in relation to the questions about how these programs fit in with the money coming in through ARP, the URA's OwnPGH program will be ramping up in the next year, and a large portion is geared towards trying to provide homeownership opportunities to low-income households, which includes down payment funding.

A. Walnoha said she wants to make a comment tying together some threads from today. She commented that Derek said something powerful in the meeting; he used two words: intention and synergy. She continued that she thinks a lot of our conversation each time that we talk about the budget is missing some synergies, which undermines our intention. She said, referring back to the discussion about the agenda, that she thinks this conversation about synergistic funding sources and leveraging is a really important one and maybe something that we want to put on our very short list of topics to start having a more regular discussion about because we continually hear about other funds or other initiatives, and that synergistic way of using the funds to really leverage larger impacts with intention is a powerful way for this advisory to really start to get closer to those goals and outcomes.

M. Masterson asked for confirmation that the Homeowner Assistance Program is closed and out of funding.

V. Hage replied it is fully committed at this point.

M. Masterson stated that it is a concern when funding goes down when both the staff and Advisory Board recommendations were higher.

J. Deming agreed.

S. Madden asked M. Masterson to clarify if he was talking about the \$2.15 million.

M. Masterson yes.

S. Madden responded there is definitely space to discuss that.

V. Hage said that although we are hoping to reopen it in the beginning of next year, our waitlist is significant, and it is going to take at least a year to get through that waitlist. She concluded by saying that even if we were to reopen the program and start allocating those funds, we would not be able to start those projects until at least a year out from now. Then, she said, we would be running into 2022 and 2023 allocations.

D. Tillman said he would still vote to keep it the way it is.

J. Deming added there is not a money problem, there is a problem with capacity.

K. Ware asked if the board was comfortable advancing this as a plan to the community.

There were no objections.

E. Miller informed the board that the draft plan will be posted on the URA's website tomorrow with a block for comment and we will share that link with the Advisory Board so you can share it with your networks. He said we will collect the comments at the end of the month and will be back in October with the final plan.

G. Programmatic Expenditures and Impacts

V. Hage presented the Down Payment and Closing Cost Assistance dashboard. There are currently 236 homeowners that have either completed the program or are currently in the process of completing the program. She said it is significant to note that of the 236, there are 119 first-time homebuyers that are between the 51% AMI and 80% AMI levels.

V. Hage presented the Homeowner Assistance Program dashboard, which represented clients that are either closed and finished in the program or are currently going through the program. 287 homeowners have either completed the program or are currently in the program.

V. Hage presented the Development Program dashboard. There are 48 FSDP units and 461 Rental Gap units that have been created through the HOF programs.

V. Hage re-presented a slide from earlier and explained that it does take into account those on the waitlist; so, she explained, the not committed debt column is zero – we are fully committed.

H. Announcements

- The next HOF Advisory Board Meeting is Thursday, October 7, 2021, at 9:00 AM.

V. Hage reminded the Board that the HSP program transitioned to Allegheny Link as of September 1, 2021.

I. Adjournment