

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

May 6, 2021

Members Present: Jamil Bey, Oliver Beasley, Joanna Deming, Jerome Jackson, Mark Masterson, Paul Spradley, Sonya Tilghman, Derrick Tillman (Vice Chair), Diamonte Walker, Adrienne Walnoha, Kellie Ware-Seabron (Chair), Megan Winters

Staff Present: Breanna Benjamin, Jeremy Carter, David Geiger, Vethina Hage, Derek Kendall-Morris, Victoria Jackson, Lisa Korade, Shaina Madden, Evan Miller, Brett Morgan, Jamie Reese

Others Present: Meghan Aitken, Chad Barnett, Matthew Bedsole, Alexander Fisher, Megan Confer-Hammond, Phillip Kash

A. Roll Call

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

B. Review and Acceptance of Minutes from the April 8, 2021 Meeting

Oliver Beasley motioned to approve the minutes of the April 8, 2021 board meeting as written and previously distributed. Mark Masterson seconded. The motion carried.

C. Public Comment

Megan Confer-Hammond, Executive Director of the Fair Housing Partnership of Greater Pittsburgh, informed the board that the Office of Fair Housing and Equal Opportunity (FHEO) has referred the Obama-era disparate impact and affirmatively furthering fair housing rules to the federal Office of Management and Budget for review and reinstatement. She stated this demonstrates federal support for the efforts being taken locally. She hoped that during April, a fair housing framework can be established for Housing Opportunity Fund (HOF) programs.

D. Presentation by HR&A Advisors Regarding the City of Pittsburgh's Housing Needs Assessment

Phillip Kash of HR&A Advisors presented project scope of the 2021 housing needs assessment for the City of Pittsburgh. He asked the board how they used the 2016 assessment and what the board would like to see in the 2021 update.

Mark Masterson commented that the Affordable Housing Task Force used the 2016 assessment to recommend the formation of the Housing Opportunity Fund. He would also like to see updated data for the gap in rental units, the availability of homeownership opportunities, and reasons for out-migration, particularly among Black Pittsburghers.

Joanna Deming asked if the 2020 Census will be integrated into the updated assessment. She would like the assessment to evaluate the impact HOF on affordable units in Pittsburgh and to quantify the opportunity for multifamily units in the market, specifically naturally occurring affordable units for acquisition and rehabilitation.

P. Kash responded that the assessment will start with 2019 Census data but will update where appropriate.

Knowledge Build Hudson asked if the assessment would highlight the impact of short-term rentals (e.g., Airbnb) on homeownership opportunities and affordable rentals.

P. Kash responded that has not been flagged as a focus area. He commented that analysis has been done in other markets, and the data is available. He asked if there were certain neighborhoods where short-term rentals are an issue.

K. Build Hudson responded that he is not aware of any specific neighborhood, but he has spoken with real estate agents assisting 60% to 80% AMI residents. These agents cited a lack of availability of properties due to investors purchasing properties for short-term rentals.

P. Kash commented that in cities like Detroit, low- and moderate-income buyers are challenged because neighborhoods are depressed in value so banks will not provide mortgage financing to those buyers, or those buyers are outbid by investors with cash. HR&A can use Home Mortgage Disclosure Act data but also may need to have qualitative discussions with these real estate agents.

K. Ware-Seabron would like the assessment to evaluate areas of low- to moderate-income residents that have a large housing stock in need of rehab. She stated that being able to identify these areas can address if there is a need to develop an acquisition-rehab program to create homeownership opportunities for residents in their own neighborhoods where they could otherwise be displaced.

Sonya Tilghman would like the assessment to gauge if the residents at 100% AMI experience challenges with affordability.

Diamonte Walker commented on using the assessment to understand how the advisory board can be strategic with programming as well as determine if the existing programs are addressing current housing challenges. She emphasized the need to maximize the next eight years of the HOF allocations to increase naturally occurring affordable housing and address blight remediation.

Derrick Tillman asked if the assessment would offer actionable recommendations to close the gap in affordable units.

P. Kash responded they will offer comprehensive recommendations beyond providing subsidies. He commented that the scale of the problem is an order of magnitude larger than the scale of the solutions on the table, and the assessment will be honest about that where it is true.

D. Tillman agreed with devising solutions beyond subsidies from public sources.

P. Kash replied that they will assess non-public funding sources. He commented that HR&A focuses on housing costs rather than household incomes, as well as tenant’s rights and subsidies, to evaluate affordability.

P. Kash asked if there are specific affordability challenges that Pittsburgh is facing.

M. Masterson responded that access to opportunity is a challenge. He stated the Low-Income Housing Tax Credits are typically in low- and moderate-income neighborhoods, and family-sized affordable units are not developed in higher opportunity neighborhoods.

S. Tilghman responded that transit access is a challenge.

D. Walker would like the assessment to look at publicly owned land and how to leverage the land for affordable housing.

M. Masterson noted the Western Pennsylvania Regional Data Center has data sets about publicly owned land.

D. Tillman asked if HR&A considered opportunities to partner with large landowners such as religious institutions and universities.

P. Kash replied that they recognize that as a program solution but will likely not be able to provide specific guidance on partnerships.

E. Roof-A-Thon – Recommend Roof-a-thon Contracts

Jeremy Carter provided updates on the 2021 Roof-a-thon, including demographics about the participating homeowners. He recommended the following Roof-a-thon contracts to be sourced by the HOF HAP Program:

- I. Concrete Rose in the amount of \$246,000
- II. Patina Construction in the amount of \$270,000.
- III. Spanbauer in the amount of \$240,000.

RECOMMENDATION 18 (2021)

Sonya Tilghman motioned to approve the following Roof-a-thon contracts to be sourced by the HOF HAP Program:

- I. Concrete Rose in the amount of \$246,000
- II. Patina Construction in the amount of \$270,000.
- III. Spanbauer in the amount of \$240,000.

Diamonte Walker seconded. The motion carried.

D. Tillman commented that Roof-a-thon could not serve more homeowners in previous years because of a lack of contractors. He asked if more contractors were needed.

J. Carter responded that if the URA can use stimulus funds for the program, there will be a need for more contractors. In this case, the URA will issue an RFP.

M. Masterson asked for a count of roofs that will be repaired.

J. Carter answered 25.

F. Increase in Homeowner Assistance Program (HAP) Contracts

J. Carter recommended to increase HAP contracts by the following:

- I. Hilltop Alliance by \$150,000 to be sourced by HOF 2020
- II. Oakland Planning & Development Corporation by \$200,000 to be sourced by HOF 2019
- III. Rebuilding Together Pittsburgh by \$200,000 to be sourced by HAP 2021
- IV. Concrete Rose by \$300,000 to be source by HAP 2021.
- V. Spanbauer Construction by \$350,000 to be sourced by HAP 2021

Hilltop Alliance spent down or committed all their existing funding, so the increase will allow them to assist four additional projects. Oakland Planning and Development Corporation spent down or committed their 2018 allocation, and the increase will allow them to assist five projects. Rebuilding Together Pittsburgh spent down their 2018, 2019, and 2020 contracts. The increase will allow them to assist five more projects. Concrete Rose and Spanbauer spent down their contracts for HAP Plus, and these increases will allow them to assist 21 projects.

S. Tilghman asked if the contracts will address the existing waitlist or allow for new applications.

J. Carter stated the increases will be to address the existing waitlist.

K.B. Hudson asked how many homeowners are still on the waitlist.

J. Carter replied 90.

RECOMMENDATION 19 (2021)

Knowledge Build Hudson motioned to increase HAP contracts by the following:

- I. Hilltop Alliance by \$150,000 to be sourced by HOF 2020
- II. Oakland Planning & Development Corporation by \$200,000 to be sourced by HOF 2019
- III. Rebuilding Together Pittsburgh by \$200,000 to be sourced by HAP 2021
- IV. Concrete Rose by \$300,000 to be source by HAP 2021.
- V. Spanbauer Construction by \$350,000 to be sourced by HAP 2021

Derrick Tillman seconded. The motion carried.

G. Increase in Housing Stabilization Program (HSP) Contract

J. Carter recommended to increase HSP contracts by the following:

- I. YWCA by \$200,000 to be source by HOF 2018 & Pittsburgh Foundation funds
- II. Goodwill SWPA by \$145,000 to be source by HOF 2018

The YWCA will administer the rental assistance program for residents who are receiving legal assistance. Goodwill spent down their existing HOF contract.

RECOMMENDATION 20 (2021)

Derrick Tillman motion to increase HSP contracts by the following:

- III. YWCA by \$200,000 to be source by HOF 2018 & Pittsburgh Foundation funds
- IV. Goodwill SWPA by \$145,000 to be source by HOF 2018

Mark Masterson seconded. The motion carried.

H. Advisory Board Administrative Items

The Fair Housing Committee was unable to meet in April.

K. Ware-Seabron reminded the board members to complete the Doodle poll to schedule the special meeting regarding RFPs.

I. Programmatic Expenditures and Impacts

J. Carter presented the commitments and closings to date of both consumer and development programs through 2020, including AMI demographics.

J. HOF Annual Allocation Plan 2022

Vethina Hage presented the timeline and events of the upcoming annual report due June 30, 2021.

M. Masterson asked about the appraisal contracts to be voted on.

With the approval of the chair, J. Carter added a walk-on item to the agenda. Prior to the meeting, the board received an appraisal packet to increase the existing contracts with the two appraisers to do appraisals for all the HAP projects. These appraisers spent down their existing contracts. The voting item is a \$30,000 increase for John Dudash and a \$30,000 increase for Bodnar Real Estate Services.

M. Masterson asked why there is a need for appraisers.

J. Carter replied that there is an appraisal at the closing and another if the property is sold or transferred. The difference in appraisal calculates how much the URA will be paid back. The appraisal fee is not added to the homeowner's costs.

D. Tillman asked if the appraisal is for the HAP.

J. Carter affirmed.

M. Masterson asked if the appraisal is to strictly ascertain the beginning value of the property and not for the approval of the loan.

J. Carter affirmed.

K. Ware-Seabron asked if the URA tracks the increase in value from HOF investment and the impact on the community.

J. Carter stated that there may be a mechanism to do that. This is the program's third operational year and homeowners have not sold their properties.

K. Ware-Seabron clarified that she is not referencing the resale value. She is interested in how the value of other properties in a neighborhood changes as the URA invests in individual properties.

J. Carter stated that the URA staff can investigate tracking that data if the advisory board would like that information; however, the board would need to be clear about what information they want to track. Comparing appraised values to the prices on Zillow would not be accurate. Comparisons can be done on assessments but there is often a significant difference on assessment and appraisals.

RECOMMENDATION 21 (2021)

Mark Masterson motioned to approve \$30,000 increase for John Dudash and a \$30,000 increase for Bodnar Real Estate Services. Adrienne Walnoha seconded. The motion carried.

K. Announcements

J. Carter announced the following:

- Legal Assistance Program will be operational May 10, 2021.
- Homeowner Assistance Program (HAP) waiting list reopens May 24, 2021.
- Bynums Marketing and Communications INC was selected as the marketing firm to produce the 2020 HOF Annual Report.
- The next HOF Advisory Board meeting will occur on June 3, 2021 at 9:00am.

L. Adjournment

Derrick Tillman motioned to adjourn the meeting. Joanna Deming seconded. The motion carried.

There being no further business, the meeting was adjourned.