

**Housing Authority of the City of Pittsburgh**  
**BOARD OF COMMISSIONERS**  
**MEETING MINUTES**  
**September 27, 2018**  
**200 Ross Street**  
**13<sup>th</sup> Floor Wherrett Room**  
**Pittsburgh, PA 15219**

The Housing Authority of the City of Pittsburgh (HACP) held a regularly scheduled Board meeting on Thursday, September 27, 2018 at 200 Ross Street; 13th Floor, Wherrett Room, Pittsburgh, Pennsylvania 15219 at 10:30 p.m.

Valerie McDonald-Roberts, Chair, called the meeting to order. The Commissioners in attendance were: Ms. Valerie McDonald-Roberts, Peter Kaplan, Enid Miller. Janet Evans (arrived at 10:50) and Rev. Ricky Burgess. Richard Butler and Leroy Morgan were not in attendance.

Next, the Chair noted that the Board members previously received a copy of the July 31, 2018, 2018, Board Meeting Minutes and asked for a motion to approve the minutes. Enid Miller made a motion to approve the minutes and Peter Kaplan seconded the motion.

A vote being had thereon, the “Ayes and “Nays” were as follows:

“AYES”: Valerie McDonald-Roberts, Rev. Ricky Burgess,  
Janet Evans, Peter Kaplan and Enid Miller.

“NAYS”: None

The Chair declared the motion carried and the minutes approved.

Next, Valerie McDonald-Roberts asked if there were any public comments.

1. Zeba Amond Fineview Carla Arnold - AmeriCorps Vista - Fineview Perry Hilltop: Community Survey - Hilltop and Fineview; now we are doing it in Allegheny Dwellings. Overview is that we need more security guards; playground improvements; Computer reach - Connect Homes class to be held at public library. Hoping to be done by Thanksgiving. Goal is to build relationships. Residents want to know when next phase is, when they will be moving, and an update.
2. Linda Arthur vice President of Glen Hazel High-Rise: We want to get a better understanding of RAD. Tenants need updated i e when to start packing up; where are they going to put their stuff. RAD has met with them. Mr. Binion said he will help them. There is no smoking in all public places. People are smoking outside and they are requesting a shelter. Says that we will be changing appliances during RAD process. This will be addressed.
3. Terry Ward, Treasurer of Glen Hazel High Rise: What is going to happen with our security? Keeping same company - and maintenance. How is HACP going to accommodate the handicap in their units during the move.

The Chair introduced the following resolutions:

**RESOLUTION No. 49 of 2018**

**A Resolution – Authorizing the RAD Conversion  
and Associated Financing and Modernization of Glen Hazel**

**WHEREAS**, the Housing Authority of the City of Pittsburgh (the HACP) is the owner of the Bernice Crawley High-rise and Glen Hazel Heights Low-rise (collectively, the Development), which is comprised of certain land and improvements in Pittsburgh, Pennsylvania; and

**WHEREAS**, pursuant to a Rental Assistance Demonstration (RAD) Conversion Commitment entered into by and among the HACP, the U.S. Department of Housing and Urban Development (HUD), and Glen Hazel RAD LLC, a Pennsylvania limited liability company (the Owner), on December 8, 2017, as may be amended, the HACP intends to convert the federal assistance that supports the Development from public housing subsidy to long-term, Section 8 project-based rental assistance (PBRA) through participation in the RAD program (the RAD Conversion); and

**WHEREAS**, the RAD Conversion will ensure long-term subsidy for all the units at the Development, and HUD will require that the units be maintained as affordable housing through the recordation of a RAD Use Agreement against the Development and the execution of a Housing Assistance Payments Contract between HUD and the Owner; and

**WHEREAS**, to support its plans for the Development, the HACP has secured funding from tax-exempt bonds and tax credit equity from the Pennsylvania Housing Finance Agency (PHFA). These financing sources require that the Development be transferred to a single purpose tax credit entity controlled by a for-profit entity, which will own and operate the Development post-RAD conversion; and

**WHEREAS**, Glen Hazel RAD LLC, the owner, is a Pennsylvania limited liability company, whose managing member is ARMDC-Glen Hazel RAD, Inc., a Pennsylvania nonprofit corporation (the Managing Member); and

**WHEREAS**, the Owner will undertake the acquisition and rehabilitation of the Development (collectively, the Work); and

**WHEREAS**, the HACP will ground lease the land and improvements to the Owner; and

**WHEREAS**, the Owner intends to finance the Work through: (i) the issuance of tax-exempt bonds (the Bonds) by the Pennsylvania Housing Finance Agency (PHFA) in connection with the Development and the Work, the proceeds of which will fund a first priority leasehold mortgage loan from PHFA (the Senior Lender) of approximately \$25,650,000, which will be reduced to approximately \$24,500,000 in permanent financing (the Bond Loan), and such financing shall subject the Development to three Tax Regulatory Agreements; (ii) a bridge loan from PNC Bank, National Association (PNC), a national banking association, (the Bridge Loan); (iii) a second-priority seller financed leasehold mortgage loan from the HACP in the approximate amount of \$9,000,000 (the Seller Loan); (iv) a third-priority leasehold mortgage loan (the ARMDC Loan) from Allies & Ross Management and Development Corporation, a Pennsylvania nonprofit corporation (ARMDC) of Moving to Work (MTW) funds in the approximate amount of \$165,000 granted by the HACP to ARMDC which will be paid from the \$2,000,000 authorized by the Board in Resolution No. 43 of 2015; (v) equity in the approximate amount of

\$11,400,000 (the Equity Financing) from PNC or its affiliate (the Investor), which has been obtained through the syndication of certain low income housing tax credits (the Tax Credit Allocation) issued by PHFA and such financing shall subject the Development to a tax credit restrictive covenant; (vi) a deferred developer fee in the approximate amount of \$5,000; and (vii) interim income and energy rebates from the Development's operations of approximately \$1,200,000 (collectively, the Financing). The Bond Loan will be funded by the PHFA's issuance of two (2) series of bonds as further described in that certain Resolution adopted by the Board of the PHFA on July 12, 2018 (the PHFA Resolution). The Series A bond issuance will be purchased by Red Stone Tax Exempt Funding LLC. The Series B bond issuance will be purchased by the HACP, on terms further described in the PHFA Resolution, using a portion of the purchase price (the HACP Bond Purchase); and

**WHEREAS**, pursuant to a Development Services Agreement to be entered into by the Owner and ARMDC Development, LLC (the Developer), the Developer will serve as the developer of the Work, earning a developer fee; and

**WHEREAS**, the HACP procured Renaissance 3 Architects P.C. to serve as the architect for the Development and other HACP development projects (the Architect). The HACP and the Architect entered into a Model Form of Agreement between the Owner and Design Professional dated January 30, 2014, Contract No. R600-17-13 (the Architect Contract); and

**WHEREAS**, in connection with the RAD Conversion and transfer and rehabilitation of the Development, the HACP now wishes to authorize such further action as may be necessary to advance the purposes set forth in the foregoing recitals.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners (the Board) of the Housing Authority of the City of Pittsburgh:

**Section 1.** The Executive Director or his Designee is hereby authorized to form and file any and all requisite applications or other documentation with any appropriate governmental agency necessary for purposes of carrying out the authorizations described in this Resolution; and

**Section 2.** The Executive Director or his Designee is hereby authorized to negotiate and execute any documents with HUD and the Owner to effectuate the RAD Conversion, and is further authorized to negotiate and execute such additional agreements with HUD and the Owner as may be necessary or desirable to codify the authorizations described in this Resolution; and

**Section 3.** The Executive Director or his Designee is hereby authorized to negotiate and execute documents with PHFA to effectuate the issuance of bonds by the PHFA and the HACP Bond Purchase, and execute such additional agreements with the PHFA as may be necessary or desirable to codify the authorizations described in this Resolution; and

**Section 4.** The Executive Director or his Designee is hereby authorized to negotiate and execute documents with the Owner to effectuate the Bond Loan, including but not limited to a fee joinder for the mortgage securing the Bond Loan, and execute such additional agreements with the Owner as may be necessary or desirable to codify the authorizations described in this Resolution; and

**Section 5.** The Executive Director or his Designee is hereby authorized to negotiate and execute any documents with the Owner to effectuate the Seller Loan, and is further authorized to

negotiate and execute such additional agreements with the Owner as may be necessary or desirable to codify the authorizations described in this Resolution; and

**Section 6.** The Executive Director or his Designee is hereby authorized to negotiate and execute any documents with the Owner to effectuate the ARDMC Loan, including but not limited to the granting of MTW funds to ARDMC to fund the ARDMC Loan as previously authorized by the Board in Resolution No. 43 of 2015, and is further authorized to negotiate and execute such additional agreements with the Owner as may be necessary or desirable to codify the authorizations described in this Resolution; and

**Section 7.** The Executive Director or his Designee is hereby authorized to negotiate and execute documents with the Investor to effectuate the Equity Financing, as may be necessary or desirable to codify the authorizations described in this Resolution; and

**Section 8.** The Executive Director or his Designee is hereby authorized to negotiate, and following receipt of all other required approvals, execute the ground lease and other conveyance documents with the Owner to transfer the Development from the HACP to the Owner and is further authorized to negotiate and execute such additional agreements with the Owner as may be necessary or desirable to codify the authorizations described in this Resolution; and

**Section 9.** The Executive Director or his Designee is hereby authorized to enter into any such other agreements or contracts with third parties that the Executive Director deems necessary or desirable to effectuate the RAD Conversion, transfer the Development and complete the Work, provided however that such agreements or contracts are consistent with the authorizations described in this Resolution, including but not limited to a partial assignment of the Architect Contract; and

**Section 10.** The Executive Director or his Designee is hereby authorized to perform any and all activities that the Executive Director determines are necessary or desirable to codify the authorizations described in this Resolution or to otherwise effectuate the RAD Conversion and the Financing, transfer the Development and complete the Work; and

**Section 11.** The Executive Director or his Designee is hereby authorized to negotiate and execute documents associated with the sources depicted in the following schedule of Development sources; and

<b><u>Financing Source</u></b>	<b><u>Amount</u></b>
Bond Loans (i.e. Private Placement / HACP)	\$25,650,000
Seller Financing (HACP)	\$9,000,000
Loan (Allies & Ross Management and Development Corporation)	\$165,000
Tax Credit Equity	\$11,400,000
Deferred Developer Fee	\$5,000
Interim Income / Energy Rebates	\$1,200,000
<b>Total</b>	<b>\$47,420,000</b>

**Section 12.** Any and all actions previously taken by the HACP and the Executive Director in connection with the provisions and resolutions set forth herein, are hereby ratified.

Valerie McDonald-Roberts asked for a motion to approve the resolution. Enid Miller made a motion to approve and Janet Evans seconded the motion. After a discussion:

A vote being had thereon, the “Ayes and “Nays” were as follows:

“AYES”: Valerie McDonald-Roberts, Rev. Ricky Burgess,  
Janet Evans, Peter Kaplan and Enid Miller.

“NAYS”: None

The Chair declared the motion carried and the resolution carried.

### **RESOLUTION No. 50 of 2018**

#### **A Resolution - Approving the HACP 2019 Moving to Work Annual Plan, and authorizing the Executive Director or his Designee to submit the Annual Plan to the U.S. Department of Housing and Urban Development**

**WHEREAS**, on November 17, 2000, the Housing Authority of the City of Pittsburgh (HACP) and the United States Department of Housing and Urban Development (HUD) executed an agreement authorizing the HACP to participate in the Moving to Work (MTW) Demonstration; and

**WHEREAS**, as a participant in the MTW demonstration, the HACP is required to submit an Annual Plan for review and approval by HUD; and

**WHEREAS**, the HACP’s FY 2019 Moving To Work Annual Plan was made available for public review and comment from August 21, 2018 until September 20, 2018, and public hearings were held on the proposed Annual Plan on September 12, 2018; and

**WHEREAS**, the HACP gave consideration to all comments received regarding the FY2019 Moving to Work Annual Plan.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the Housing Authority of the City of Pittsburgh:

**Section 1.** The Housing Authority of the City of Pittsburgh’s Fiscal Year 2019 Moving to Work Annual Plan is approved and the Executive Director or his Designee is authorized to submit the plan to HUD; and

**Section 2.** The attached Certifications of Compliance, as required by HUD is hereby adopted and approved; and the Chairman is hereby authorized to sign the Certifications of Compliance on behalf of the Board.

Valerie McDonald-Roberts asked for a motion to approve the resolution. Enid Miller made a motion to approve and Peter seconded the motion. After a discussion:

A vote being had thereon, the “Ayes and “Nays” were as follows:

“AYES”: Valerie McDonald-Roberts, Rev. Ricky Burgess,  
Janet Evans, Peter Kaplan and Enid Miller.

“NAYS”: None

The Chair declared the motion carried and the resolution carried.

There were no more resolutions.

Next, the Chair asked for a motion to approve the Activity report for August. Janet Evans made a motion to approve the Activity Report and Enid Miller seconded the motion.

Michelle Sandidge presented recent activities of the agency.

A vote being had thereon, the “Ayes and “Nays” were as follows:

“AYES”: Valerie McDonald-Roberts, Rev. Ricky Burgess,  
Janet Evans, Peter Kaplan and Enid Miller.

“NAYS”: None

The Chair declared the motion carried and the Activity Report approved.

**EXECUTIVE REPORT:** Mr. Binion thanked his staff for their hard work.

**AJOURNMENT:** The Chair asked for a motion to adjourn the meeting. Janet Evans made a motion to adjourn and Enid Miller seconded the motion.

A vote being had thereon, the “Ayes and “Nays” were as follows:

“AYES”: Valerie McDonald-Roberts, Peter Kaplan, Enid Miller,  
Rev. Ricky Burgess and Janet Evans.

“NAYS”: None

The Meeting was Adjourned.

  
Recording Secretary