

Housing Authority of the City of Pittsburgh
BOARD OF COMMISSIONERS
MEETING MINUTES
Monday, November 21, 2016
200 Ross Street
13th Floor Wherrett Room
Pittsburgh, PA 15219

The Housing Authority of the City of Pittsburgh (HACP) held a regular Board meeting on Monday, November 21, 2016 at 200 Ross Street; 13th Floor, Wherrett Room, Pittsburgh, Pennsylvania 15219 at 1:30 p.m.

Ms. Valerie McDonald-Roberts, Chairperson, called the meeting to order. The Commissioners in attendance were: Ms. Enid Miller, Ms. Valerie McDonald-Roberts, Mr. Peter Kaplan, Leroy Morgan and Mr. Richard Butler. Ms. Janet Evans and Rev. Ricky Burgess were not in attendance.

Next, the Chairwoman noted that the Board members had previously received a copy of the November 21, 2016 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”: Enid Miller, Peter Kaplan, Valerie McDonald-Roberts
Richard Butler and Leroy Morgan.

“NAYS”: None

Chair McDonald-Roberts declared the motion carried and the minutes approved.

Next the Chair noted that the board received a copy of the Activity Report.

Ms. McDonald-Roberts asked for a motion to approve the Activity Report. Leroy Morgan made a motion and Richard Butler seconded the motion to approve the Activity Report.

Joy Pekar Miller, Director of Public Safety, gave a brief statement on the activity report, after which a vote being had thereon, the “Ayes and “Nays” were as follows:

“AYES”: Enid Miller, Peter Kaplan, Valerie McDonald-Roberts
Richard Butler and Leroy Morgan,

“NAYS”: None

The Chair next asked if there were any comments or questions from Tenant Council Presidents, Section 8 Representatives or other public comments.

There being no speakers or comments, Ms. McDonald-Roberts introduced the following resolutions:

RESOLUTION No. 49 of 2016

A Resolution - Authorizing the Executive Director or his Designee to submit an Inventory Removal Application to HUD for the Demolition of Allegheny Dwellings

WHEREAS, the Housing Authority of the City of Pittsburgh (HACP) owns approximately 19.3 acres comprising two-hundred seventy-two (272) units of public housing located at Allegheny Dwellings that will be improved and redeveloped; and

WHEREAS, the Allegheny Dwellings property, built in the 1940s, would require extensive investment over time to overcome its functional obsolescence due to the age, condition, and design of the units; additionally, the community lacks unit identity and defensible space which contribute to the property being considered obsolete due to its physical condition and configuration; and

WHEREAS, the Allegheny Dwellings Site will be redeveloped by HACP selected developer Allies and Ross Management and Development Corporation (ARMDC), and its co-developer, TREK Development Group, into a high-quality and sustainable mixed-income rental housing community; and

WHEREAS, the redevelopment of Allegheny Dwellings (Phase I) will constitute up to sixty-five (65) units with later phases totaling up to three-hundred seventy-two (372) units as described in Exhibit A; and

WHEREAS, a 9% Low Income Housing Tax Credit (LIHTC) application for Allegheny Dwellings (Phase I) submitted to the Pennsylvania Housing Finance Agency (PHFA) in March 2016 was not successful; and

WHEREAS, a 4% LIHTC application targeted for the January 2017 deadline is anticipated to be submitted to Pennsylvania Housing Finance Agency (PHFA); and

WHEREAS, the predevelopment funds for Allegheny Dwellings (Phase I) have been approved by the U.S. Department of Housing and Urban Development (HUD) and the housing plan has been fully supported by HACP residents throughout the community planning process.

NOW, THEREFORE, be it resolved by the Board of Commissioners of the Housing Authority of the City of Pittsburgh.

Section 1. The Executive Director or his Designee is hereby authorized to submit a demolition application to HUD and upon HUD approval, demolish the 272 public housing units on 19.3 acres of Allegheny Dwellings property pursuant to the phasing plan attached hereto as Exhibit A; and

Section 2. The Executive Director or his Designee is hereby further authorized and directed to prepare, execute and submit to HUD all required documentation necessary to obtain HUD's approval for the proposed demolition; and

Section 3. That the demolition based on the terms stated above is approved subject to HUD’s approval of HACP’s application to demolish the property as described herein.

Valerie McDonald-Roberts asked for a motion to approve the resolution. Leroy Morgan made a motion and Richard Butler seconded the motion.

After a discussion, Valerie McDonald-Roberts asked for a motion to table this resolution and to revise this Resolution No. 49 of 2016 to incorporate appropriate references from Resolution No. 22 of 2016 in this resolution. Leroy Morgan made a motion to table this resolution and Enid Miller seconded the motion.

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

“AYES”: Enid Miller, Peter Kaplan, Valerie McDonald-Roberts
Richard Butler and Leroy Morgan.

“NAYS”: None

Chair McDonald-Roberts declared the motion carried and Resolution No. 49 of 2016 tabled.

Chair McDonald-Roberts presented the following resolutions.

RESOLUTION No. 50 of 2016

A Resolution – Authorizing the Commitment of Funds for Larimer/East Liberty Phase II Housing Development

WHEREAS, Allies & Ross Management and Development Corporation (ARMDC) was selected by the Housing Authority of the City of Pittsburgh (HACP) to revitalize Hamilton-Larimer public housing into mixed-income community utilizing the mixed-finance development approach; and

WHEREAS, the HACP as lead grantee and the City of Pittsburgh (City) as co-grantee subsequently received U.S. Department of Housing and Urban Development’s (HUD) Choice Neighborhoods Implementation (CNI) Grant to implement Larimer/East Liberty CNI Transformation Plan (Transformation Plan) to improve the living environment and quality of life for residents residing in HUD-assisted housing sites, i.e., Hamilton-Larimer and East Liberty Gardens, and the Transformation Plan’s target community; and

WHEREAS, ARMDC competitively procured McCormack Baron Salazar, Inc. (the Co-Developer), to serve as the co-developer for the revitalization of Hamilton-Larimer/East Liberty pursuant to the terms of a Master Development Agreement (MDA) between ARMDC and the Co-Developer; and

WHEREAS, under the MDA and the Transformation Plan, as amended, ARMDC and the Co-developer are developing 334 units in four or more phases; and

WHEREAS, ARMDC and HACP have worked in the past several months with the City and the target community to improve and redesign the previously approved Phase II site plan to effectively place more eyes on the streets and common areas while adding additional units and increasing the size of the Larimer/East Liberty Phase II (Phase II) development site by combining it with an adjacent property owned by the City, creating a plan for approximately 150 units on approximately 6.2 acres (replacing the previously planned 138 units on 4.8 acres); and

WHEREAS, ARMDC and the Co-Developer will submit a 4% Low Income Housing Tax Credit and Tax Exempt Bond Application for Year 2017 for the development of approximately 150 units of mixed-income housing as Phase II to Pennsylvania Housing Finance Agency; and

WHEREAS, HACP will grant additional Moving to Work (MTW) funds and/or Program Income funds for ARMDC in the amount of \$693,087.00 (Phase II Development Investment Funds) to support the additional design and construction costs associated with the recent changes to the Phase II development activities and a 4% Tax Credit and Tax Exempt Bond Application for the Phase II; and

WHEREAS, HACP will grant ARMDC a ground lease fee in the amount of \$800,000.00 that will be paid by Larimer/East Liberty Phase II, L.P. out of private equity funds upon financial closing of Phase II in order for ARMDC to make a subordinate loan for the Phase II development activities during the construction period (Ground Lease Loan); and

WHEREAS, the Ground Lease Loan will be converted from the construction loan to a permanent loan at the end of the construction period; and

WHEREAS, ARMDC will submit a monthly grant report to HACP's Board of Commissioners indicating summary disbursements to date of the grant funds authorized in this resolution.

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

Section 1. The Executive Director or his Designee is hereby authorized to enter into a Grant Agreement with ARMDC to grant the Phase II Development Investment Funds up to \$693,087.00 to support the additional design and construction costs associated with the recent changes to the Larimer/East Liberty Phase II development activities for approximately 150 mixed-income rental units; and

Section 2. The Executive Director or his Designee is hereby authorized to enter into a Grant Agreement with ARMDC to grant a ground lease fee up to \$800,000.00 that will be paid by Larimer/East Liberty Phase II, L.P. out of private equity funds upon financial closing of the Larimer/East Liberty Phase II in order for ARMDC to provide a construction loan for a period up to 24 months, with an extension available of 6 months, with zero interest rate, and will utilize the same \$800,000.00 as a permanent loan at the end of the construction period with an interest rate at 0.25% for a term of not less than 40 years for Phase II; and

Section 3. The Executive Director or his Designee is hereby authorized and directed, in the name of and on behalf of HACP, to (i) negotiate, execute and deliver all such agreements, documents

and instruments and take all such other actions as he shall determine to be necessary or desirable in order to effect the Larimer/East Liberty Phase II development activities and (ii) complete any and all additional actions that are legally permissible and necessary or advisable to carry out the Larimer/East Liberty Phase II development activities contemplated herein; and

Section 4. The Executive Director or his Designee is hereby authorized and directed to take such other actions, from time to time, that are necessary, advisable or proper in connection with the Larimer/East Liberty Phase II Development including, without limitation, the execution and delivery of all agreements, writings and documents (and all amendments, changes, modifications and additions thereto).

Valerie McDonald-Roberts asked for a motion to approve the resolution. Peter Kaplan made a motion to approve and End Miller seconded the motion. Ms. McDonald-Roberts asked if there was any discussion. As there was no discussion:

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

“AYES”: Enid Miller, Peter Kaplan, Valerie McDonald-Roberts
Richard Butler and Leroy Morgan.

“NAYS”: None

Chair McDonald-Roberts declared the motion carried and the resolution approved.

RESOLUTION No. 51 of 2016

A Resolution – Authorizing Commitment of Funds to Allies & Ross Management and Development Corporation for Acquisition of Ownership Interests in Three (3) Limited Partnerships in Connection with the Oak Hill Community

WHEREAS, over two-phases (five sub-phases) from 2000 to 2011, there was established and constructed in the Allequippa Terrace neighborhood of Pittsburgh, Pennsylvania, a mixed-use, mixed-income community consisting of 718 rental housing units, of which 475 units were rental replacement public housing units (Oak Hill Development) financed, in part, by the Housing Authority of the City Pittsburgh (HACP); and

WHEREAS, HACP provides operating subsidy funding received from the U.S. Department of Housing and Urban Development under its annual contributions contract to the Partnerships for the operation of the 475 public housing units; and

WHEREAS, Beacon Corcoran Jennison (BCJ) created five (5) Limited Partnerships (LP) to own and operate the Oak Hill Development; and

WHEREAS, the Tax Credit Compliance Period (TCCP) for three (3) of the five (5) sub-phases of the Oak Hill Development have expired; and

WHEREAS, BCJ is actively pursuing the purchase of the existing Tax Credit Investor ownership interests of three (3) of the five (5) LP's for purposes of wholly controlling the LP's prior to converting the 475 public housing units to Project Based Rental Assistance (PBRA) units via the United States Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) program; and

WHEREAS, on March 13, 2015, HACP was selected by the HUD via a Commitment to Enter Into Housing Assistance Payments (CHAP) to participate in the RAD program for all five (5) phases of the Oak Hill Development; and

WHEREAS, RAD is designed to afford Public Housing Agencies (PHA) with the opportunity to make capital improvements and provide long-term financial stability for its public housing units; and

WHEREAS, HACP has determined that it is in the best interests of the residents of the Oak Hill Development, for a to-be-created entity controlled by HACP's instrumentality, Allies & Ross Management & Development Corporation (ARMDC) to acquire not less than forty percent (40%) of three-(3) of the five-(5) Limited Partnerships, subject to the terms and conditions set forth a to-be-negotiated agreement (Interest Purchase Agreement) between ARMDC and BCJ; and

WHEREAS, HACP has determined that it is in the best interests of the residents of the Oak Hill Development and the City of Pittsburgh for it to acquire some of the rights, titles and interests of the three (3) of the LP's (Acquired Interests), subject to the terms and conditions set forth in an Interest Purchase Agreement; and

WHEREAS, HACP has determined to make a grant of Moving-To-Work (MTW) funds to ARMDC in an amount up to \$200,000.00 to purchase the Acquired Interest, plus any expenses as may be necessary to pay due diligence costs, closing costs, taxes and any other costs which ARMDC may incur in connection with the acquisition of the Acquired Interests; and

WHEREAS, the transaction for admission requires a two-step process with the proposed first step consummated within the next ninety-(90) days for BCJ to acquire the interests and gain full control of the existing three -(3) LP's through the use of BCJ's existing Owner/Developer funds; and

WHEREAS, in the proposed second step, ARMDC will pay \$150,000.00 in aggregate to gain admittance into the three-(3) LP's; and

WHEREAS, in return for said payment, ARMDC will receive: (i) not less than a forty percent (40%) ownership interest in each LP, (ii) not less than forty percent (40%) of the annual cash flow waterfall, and (iii) not less than forty percent (40%) of the developer fee, if any, as a result of any proposed re-syndication and redevelopment.

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

Section 1. The Executive Director or his Designee is hereby authorized to enter into a Grant Agreement with ARMDC to grant MTW funds in an amount up to \$200,000.00 in order for

ARMDC or a to-be-created entity controlled by ARMDC, to acquire 40% interest in each of the three-(3) Limited Partnerships in the Oak Hill Development, and to pay due diligence costs, closing costs, taxes and any other costs which ARMDC may incur in connection with the purchase of the Acquired Interests.

Section 2. The Executive Director or his Designee is hereby authorized to use the \$200,000.00 of MtW funds granted herein to be utilized for the purchase of the Acquired Interests of the three-(3) the Limited Partnerships for not less than forty percent (40%) of the interests in each of the three-(3) Limited Partnerships.

Section 3. The Executive Director or his Designee is hereby authorized and directed, in the name of and on behalf of HACP, to (i) negotiate, execute and deliver all such agreements, including the Grant Agreement and the Interest Purchase Agreement, documents and instruments and take all such other actions as the Executive Director or his Designee shall determine to be necessary or desirable in order to effect the Oak Hill acquisition, the Grant Agreement and the Interest Purchase Agreement and (ii) take any and all additional actions that are legally permissible and necessary or advisable to carry out the Oak Hill Grant, the Grant Agreement and the Interest Purchase Agreement; and

Section 4. The Executive Director or his Designee is hereby authorized and directed to take such other actions, from time to time, that are necessary, advisable or proper in connection with the Oak Hill Grant, the Grant Agreement, the Interest Purchase Agreement and the acquisition of the Acquired Interests.

Valerie McDonald-Roberts asked for a motion to approve the resolution. Enid Miller made a motion to approve and Peter Kaplan seconded the motion. Ms. McDonald-Roberts asked if there was any discussion. As there was no discussion:

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

“AYES”: Enid Miller, Peter Kaplan, Valerie McDonald-Roberts
Richard Butler and Leroy Morgan.

“NAYS”: None

Chair McDonald-Roberts declared the motion carried and the resolution approved.

RESOLUTION No. 52 of 2016

A Resolution – Authorizing the Executive Director or his Designee to Enter into an Agreement with Duquesne University in Order to Implement the Juvenile Re-Entry Assistance Program, Awarded to HACP in Partnership with Duquesne University

WHEREAS, the Housing Authority of the City of Pittsburgh (HACP) and Duquesne University (DU) submitted an application to receive funding from the U.S. Department of Housing and

Urban Development (HUD) and the U.S. Department of Justice (DOJ) in December 21, 2015; and

WHEREAS, on December 21, 2015, HACP as Lead Applicant and DU as Partner Agency submitted an application for the Juvenile Re-Entry Assistance Program (JRAP) for \$99,215.00 along with additional in-kind support provided by DU; and

WHEREAS, DU is a Pennsylvania not-for-profit organization, which will provide legal services to the youth (up to age 24) in HACP Low-Income Public Housing (LIPH) communities; and

WHEREAS, HACP desires to engage DU for the purpose of providing legal services via the JRAP Grant; and

WHEREAS, DU agrees to travel to HACP sites on a weekly basis to meet with clients and provide services; and

WHEREAS, HACP and DU recognize that it is in the best interest of both parties to coordinate their efforts in order to provide residents with a criminal record with a second chance and to prevent duplication of effort and expenditure of resources; and

WHEREAS, on September 29, 2016, HACP received formal notification that it had been approved for a 2015 JRAP grant award in the amount of \$100,000.00; and

WHEREAS, the HACP will enter into JRAP Grant Agreement in order to receive the \$100,000.00 JRAP Grant; and

WHEREAS, the HACP will enter into an agreement with DU pursuant to the terms of a formal Memorandum of Understanding (MOU) that was developed in order to become eligible to apply for the 2015 JRAP and has been fully authorized by both HACP and DU; and

WHEREAS, the HACP desires that DU will implement JRAP Grant services noted in the JRAP Grant Agreement with Grant funded activities to commence on or after November 1, 2016 and conclude by April 31, 2018; and

WHEREAS, HACP authorizes payment to DU in an amount not to exceed \$100,000.00 to be paid for services performed in accordance with the MOU of the JRAP Program Plan and the HACP/ DU.

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

Section 1. The Executive Director or his Designee is hereby authorized to enter into an agreement with DU to administer the JRAP Program and to grant up to \$100,000.00 to DU to be spent in accordance with the JRAP Budget and JRAP Program Plan, as submitted to HUD; and

Section 2. The Executive Director or his Designee is hereby authorized and directed, in the name of and on behalf of HACP, to execute and deliver all such agreements, documents and instruments and take all such other actions as determined to be necessary or desirable in order to

implement JRAP Grant activities and (ii) complete any and all additional actions that are legally permissible and necessary or advisable to carry out JRAP Grant activities; and

Section 3. The Executive Director or his Designee is hereby authorized and directed to take such other actions, from time to time, that are necessary, advisable or proper in connection with JRAP Grant activities including, without limitation, the execution and delivery of all agreements, writings and documents (and all amendments, changes, modifications and additions thereto).

Valerie McDonald-Roberts asked for a motion to approve the resolution. Richard Butler made a motion to approve and Enid Miller seconded the motion. Ms. McDonald-Roberts asked if there was any discussion. As there was no discussion:

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

“AYES”: Enid Miller, Peter Kaplan, Valerie McDonald-Roberts
Richard Butler and Leroy Morgan.

“NAYS”: None

Chair McDonald-Roberts declared the motion carried and the resolution approved.

RESOLUTION No. 53 of 2016

A Resolution – Authorizing the Executive Director or his Designee to Enter Into an Intergovernmental Agreement with the Allegheny County Department of Human Services for Senior Living Enhancement Program, Mental Health Counseling Services, Homeownership Program Services and Domestic Violence Prevention/Mediation Services

WHEREAS, the Housing Authority of the City of Pittsburgh (HACP) has identified the need to provide Domestic Violence Prevention/Mediation services in its communities to encourage residents to seek support in order to retain their housing and to ensure a safe environment for all residents; and

WHEREAS, the HACP has identified the need to provide specific services to enable senior and disabled residents to improve their quality of life and maintain safe, independent living; and

WHEREAS, the HACP has identified the need to provide community mental health and drug and alcohol services in its communities to encourage residents to seek treatment in order to retain their housing and to ensure a safe environment for all residents; and

WHEREAS, the HACP has identified the need to provide homeownership education services for eligible residents as a part of its Moving To Work (MTW) Homeownership Program to encourage and support residents to pursue self-sufficiency and homeownership; and

WHEREAS, the HACP has partnered with the Allegheny County Department of Human Services (ACDHS) to expand the scope of existing programs to provide enhanced levels of Senior Living Enhancement Program, Mental Health Counseling Services, Homeownership

Program Services and Domestic Violence Prevention/Mediation Services in HACP communities;
and

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) authorizes the use of Intergovernmental Agreements and has issued regulations governing such agreements;
and

WHEREAS, the HACP's support of the foregoing services will complement and leverage additional support provided by private foundations and other government sources, including the Senior Living Enhancement Program, Mental Health Counseling Services, Homeownership Program Services and Domestic Violence Prevention/Mediation Services as provided by ACDHS.

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

Section 1. The Executive Director or his Designee is hereby authorized to enter into an Intergovernmental Agreement with the Allegheny County Department of Human Services for the Senior Living Enhancement Program, Mental Health Counseling Services, Homeownership Program Services and Domestic Violence Prevention/Mediation Services for a period from January 1, 2017 and December 31, 2017,; and

Section 2. The Intergovernmental Agreement authorized in Section 1 shall not exceed a total cost of \$425,000, to be paid from MTW funds; and

Section 3. The Intergovernmental Agreement authorized in Section 1 shall conform to the requirements of 24 CFR/ 2 CFR 200 85.37 [b] [5] governing the award of subgrantee agreements.

Valerie McDonald-Roberts asked for a motion to approve the resolution. Leroy Morgan made a motion to approve and Richard Butler seconded the motion. Ms. McDonald-Roberts asked if there was any discussion. As there was no discussion:

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

"AYES": Enid Miller, Peter Kaplan, Valerie McDonald-Roberts
Richard Butler and Leroy Morgan.

"NAYS": None

Chair McDonald-Roberts declared the motion carried and the resolution approved.

There were no further resolutions.

EXECUTIVE REPORT: Mr. Binion addressed the board and spoke briefly regarding the reports that were previously provided to the board. Mr. Binion also spoke about what has happened at HACP in the last month such as:

- Closed on Manchester – 86 units

- Addison Phase III
- HUD Site Visit with Hill (Bedford Planning team last week)
- HACP would like to continue successful transparency.

NEW BUSINESS: There was no new business.

AJOURNMENT: Valerie McDonald-Roberts asked for a motion to adjourn the meeting. Enid Miller made a motion to approve and Leroy Morgan seconded the motion.

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

“AYES”: Enid Miller, Peter Kaplan, Valerie McDonald-Roberts
Richard Butler and Leroy Morgan.

“NAYS”: None

Chair McDonald-Roberts declared the motion carried and the meeting adjourned.

Recording Secretary