

Housing Authority of the City of Pittsburgh
BOARD OF COMMISSIONERS
MEETING MINUTES
Thursday, November 16, 2017
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 Thursday, November 16, 2017, at 200 Ross Street; 13th Floor, Wherrett Room, Pittsburgh, Pennsylvania 15219 at 10:30 a.m.

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

Next, the Chair noted that the Board members had previously received a copy of the October 26, 2017, Board Meeting Minutes and asked for a motion to approve the minutes. Richard Butler made a motion to approve the minutes and Leroy Morgan seconded the motion.

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

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

“NAYS”: None

The Chair declared the motion carried and the minutes approved.

The Chair stated that the Board had previously received the Activity Report for October 2017. Mr. Binion introduced Michelle Sandidge who spoke to the board regarding the family of Puerto Ricans that came to Pittsburgh after the hurricane in P.R. The HACP arranged for them to get a place to live, clothes, food, toys, t.v., cable etc. Kudos to all.

Ms. McDonald-Roberts asked for a motion to approve the Activity Reports. Janet Evans made a motion and Leroy Morgan seconded the motion to approve the Activity Reports.

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

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

“NAYS”: None

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

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

Representatives from Allegheny Dwellings and Fineview communities (Joanna Deming and Zeba Ahmed) addressed the Board regarding their respective communities and talked about Halloween activities and upcoming events including the one on November 28, 2017 at 6:00 p.m. which Darrell Davis will attend.

Ms. Valerie McDonald-Roberts asked if there were other public comments. There were none.

At this time Ms. Valerie McDonald-Roberts introduced the following resolutions:

RESOLUTION No. 59 of 2017

A Resolution - Authorizing the Disposition of Vacant Land at Northview Heights for the Purpose of Redevelopment

WHEREAS, the Housing Authority City of Pittsburgh (HACP) owns approximately 19.67 acres of land in the Northview Heights neighborhood in the City of Pittsburgh consisting of 449 units across 68 (sixty-eight) family community buildings and eighty-seven (87) units located in one (1), eight-story highrise building; and

WHEREAS, HACP desires to demolish the existing highrise building and replace it on a unit-for-unit basis with the new construction of a four (4) story midrise building on existing vacant land owned by HACP in the Northview Heights neighborhood; and

WHEREAS, HACP has selected its non-profit instrumentality, Allies & Ross Management and Development Corporation (ARMDC), to self-develop the new midrise building utilizing the U.S. Department of Housing and Urban Development's (HUD) mixed-finance approach; and

WHEREAS, as a part of the proposed deal structure, ARMDC has proposed to subdivide approximately 3.98 acres of land associated with the new construction building in Northview Heights to be disposed of to a new Ownership Entity, of which ARMDC will be a party; and

WHEREAS, HACP will seek authorization from HUD for the disposition of the 3.98 acres of vacant land for a long-term ground lease for ninety-nine (99) years with the new development's Ownership Entity.

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 dispose of up to 3.98 acres of vacant land to the ownership entity of the Northview Midrise with eighty-seven (87) affordable housing units in the form of a long-term ground lease for a term of 99 years; 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 disposition of the 3.98 acres; and

Section 3. The disposition based on the terms and conditions stated above is approved subject to HUD’s approval of the application to dispose of the property as described herein.

Ms. McDonald-Roberts asked for a motion to approve the resolution. Janet Evans made a motion and Peter Kaplan seconded the motion:

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

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

“NAYS”: None

The Chair declared the motion carried and the resolution approved.

RESOLUTION No. 60 of 2017

A Resolution – Authorizing the Executive Director to Submit an Inventory Removal Application to HUD for Disposition of Vacant Land in Support of New Neighborhood Park in Larimer/East Liberty Choice Neighborhoods Community

WHEREAS, the Housing Authority of the City of Pittsburgh (HACP) is the lead grantee of U.S. Department of Housing and Urban Development’s (HUD) FY2013/FY2014 Choice Neighborhoods Implementation Grant (CNIG) Funds for Larimer/East Liberty Transformation Plan (Transformation Plan); and

WHEREAS, the Transformation Plan calls for the development of a new neighborhood public park on an approximately 3.25 acres of public land (“Park”) (See Exhibit A. Park Plan); and

WHEREAS, HACP, the City of Pittsburgh as the co-grantee, and Urban Redevelopment Authority (URA) as the neighborhood implementation entity of CNIG, have conducted a comprehensive CNIG planning process with Larimer/East Liberty community partners and residents, including an extensive park planning process with the Larimer/East Liberty community by hosting three (3) major community charrette meetings; and

WHEREAS, HACP owns two (2) vacant land parcels, Lot/Block No. 83-S-146 and 83-S-202, with a total of 0.84 acres, in the Park site. URA owns the balance of the 3.25 acres of the Park site; and

WHEREAS, the URA will finalize construction documents and start conducting a bid process for a general contractor for construction of the Park by the first quarter of 2018. URA will concurrently request a transfer of HACP’s vacant parcels in the first quarter of 2018 for the Park development; and

WHEREAS, HACP is seeking HUD authorization for disposition of the vacant properties described herein at less than fair market value and contingent upon URA’s irrevocable

commitment for development and dedication of the Park for public use per the Transformation Plan.

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 is hereby authorized to dispose of approximately 0.84 acres of vacant land comprised of Lot/Block No. 83-S-146 and 83-S-202 to support the URA's construction and public dedication of the Park; and

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

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

Ms. McDonald-Roberts asked for a motion to approve the resolution. Peter Kaplan made a motion and Richard Butler seconded the motion:

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

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

"NAYS": None

The Chair declared the motion carried and the resolution approved.

RESOLUTION No. 61 of 2017

A Resolution – Authorizing ground lease payment to ARMDC for Allegheny Dwellings Phase I Development Activities

WHEREAS, the Housing Authority of the City of Pittsburgh (HACP) via its instrumentality Allies and Ross Management Development Corporation (ARMDC) is desirous to revitalize certain of HACP's public housing developments into mixed-income communities utilizing the mixed-finance development approach; and

WHEREAS, Allegheny Dwellings is a public housing development that consists of 272 dwelling units situated on approximately 19.3 acres, and that the Allegheny Dwellings Phase I constitutes 9.33 acres of the southern segment of the property and certain contiguous parcels adjacent to the property; and

WHEREAS, ARMDC competitively procured TREK Development Group, a Pennsylvania limited liability company (Co-Developer), to serve as the co-developer for the revitalization of

Allegheny Dwellings pursuant to the terms of a Master Development Agreement (MDA) entered between ARMDC and the Co-Developer on November 19, 2015; and

WHEREAS, ARMDC and the Co-Developer intend to revitalize Allegheny Dwellings Phase I as a new multi-unit, mixed-income residential community consisting of up to sixty-five (65) new construction units to be developed in the southern segment of the community and on adjacent contiguous parcels; and

WHEREAS, ARMDC and the Co-Developer initially anticipated using 9% LIHTC pursuant to Section 42 of the Internal Revenue Code of 1986, as amended ("Code") as part of the financing for the Allegheny Dwellings Redevelopment. While this financing was pursued in March 2016, the application was rendered unsuccessful in July 2016. The team was successfully awarded 4% LIHTC instead that was approved on October 12, 2017; and

WHEREAS, the Authority had previously approved the commitment of Moving to Work (MTW) funds and/or Program Income funds of \$16,238,500.00 for Allegheny Dwellings Phase I, and given the recent geo-technical soil findings at Allegheny Dwellings Phase I, there exists a need to support the additional design and construction costs associated with it; and

WHEREAS, HACP will grant to ARMDC a ground lease in the amount of \$642,857.00 that will be paid by Allegheny Dwellings I, LLC, out of private equity funds upon financial closing of Phase I in order for ARMDC to make a subordinate loan for the Phase I 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:

Section 1. The Executive Director or his Designee is authorized to enter into a Grant Agreement with ARMDC to grant the Phase I Development Investment Funds \$642,857.00 to support the additional design and construction costs associated with soil conditions at Allegheny Dwellings Phase I development activities for sixty-five (65) units; and

Section 2. The Executive Director or his Designee is hereby authorized to enter into a Grant Agreement with ARMDC to grant the ground lease payment \$642,857.00 that will be paid by Allegheny Dwellings I, LLC out of private equity funds upon financial closing of the Allegheny Dwellings Phase I in order for ARMDC to provide a construction loan for a period up to 24 months (with an extension available for six (6) months), with zero interest rate, and will utilize the same \$642,857.00 as a permanent loan at the end of the construction period with interest rate at an Annual Fixed Rate (AFR) or to be mutually agreed upon, for a term of up to 45 years for Phase I; and

Section 3. The Executive Director or his Designee is hereby authorized and directed, in the name of and on behalf of HACP, to negotiate, execute, and deliver all such agreements, documents and instruments and take all such actions as he shall determine to be necessary or

advisable to carry out the Allegheny Dwellings Phase I development activities contemplated herein; and

Section 4. The Executive Director is hereby authorized and directed to take such actions, from time to time that are necessary, advisable, or proper in connection with Allegheny Dwellings Phase I development including, without limitation, the execution and delivery of all agreements, writings, and comments (and all amendments, changes, modifications, and additions thereto).

Ms. McDonald-Roberts asked for a motion to approve the resolution. Peter Kaplan made a motion and Richard Butler seconded the motion:

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

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

“NAYS”: None

The Chair declared the motion carried and the resolution approved.

RESOLUTION No. 62 of 2017

A Resolution – Authorizing HACP to Transfer Funds to ARMDC for PBV and Gap Financing, Miller Street Apartments

WHEREAS, over the next three (3) years, the Housing Authority of the City of Pittsburgh’s (HACP)s goal is to create two hundred (200) additional, affordable housing units utilizing Project-Based Vouchers (PBV) and Gap Financing strategies with private affordable housing owners and developers using the mixed-finance development approach; and

WHEREAS, HACP has subsequently selected and negotiated with certain developers/nonprofits to support their proposed projects with PBV & Gap Financing pursuant to Board Resolution No. 4 of 2016 and Request For Proposals (RFP) #600-39-15; and

WHEREAS, on February 24, 2016, HACP selected and made a conditional commitment to Bridging the Gap Development, LLC for PBV assistance and \$419,998.00 of Gap Financing funds in the form of a loan for new construction of 36 units in the Crawford-Roberts neighborhood within the Middle Hill District of the City of Pittsburgh, a development, named Miller Street Apartments (Project); and

WHEREAS, the Project is supported by 9% Low Income Housing Tax Credit (LIHTC), conventional debt and HACP’s PBV subsidy and Gap Financing; and

WHEREAS, HACP has selected Allies and Ross Management and Development Corporation (ARMDC) to implement the PBV and Gap Financing Program - Miller Street Apartments project; and

WHEREAS, HACP will transfer \$419,998.00 of gap financing funds to ARMDC, and that ARMDC will continue to negotiate, support and finalize the deal with the newly created owner entity Miller Street, LP for the Project.

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 transfer \$419,998.00 of Gap Financing Funds to ARMDC; and

Section 2. The Executive Director or his Designee will authorize ARMDC to negotiate and complete due diligence for the Gap Financing and make a Gap Financing commitment for the Project up to \$419,998.00 to Miller Street, LP; conditioned upon further negotiation of terms and conditions.

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

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

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

“NAYS”: None

The Chair declared the motion carried and the resolution approved.

RESOLUTION No. 63 of 2017

A Resolution – Authorizing HACP to Work with Miller Street LP, a change in Ownership Entity for PBV and Gap Financing, Miller Street Apartments

WHEREAS, a core objective of the Housing Authority of the City of Pittsburgh (HACP) is to “expand affordable housing options” within the City of Pittsburgh; and

WHEREAS, over the next three (3) years, HACP’s goal is to create two hundred (200) additional, affordable housing units utilizing Project-Based Vouchers (PBV) and Gap Financing strategies with private affordable housing owners and developers using the mixed-finance development approach; and

WHEREAS, HACP has subsequently selected and negotiated with certain developers/nonprofits to support their proposed projects with PBV & Gap Financing pursuant to Board Resolution No. 4 of 2016 and Request For Proposals (RFP) #600-39-15; and

WHEREAS, on February 24, 2016, HACP selected and made a conditional commitment to Bridging the Gap Development, LLC for PBV assistance and \$419,998.00 of Gap Financing funds in the form of a loan for new construction of 36 units in the Crawford-Roberts

neighborhood within the Middle Hill District of the City of Pittsburgh, a development, named Miller Street Apartments (Project); and

WHEREAS, the Project is supported by a 9% low income housing tax credit, conventional debt and HACP's PBV subsidy and Gap Financing; and

WHEREAS, Bridging the Gap Development, LLC is required to expand ownership entity to include investors for the project, as the Project will receive 9% Low-Income Housing Tax Credits, and has since created Miller Street, LP as the owner entity for the Project; and

WHEREAS, the Certificate of Formation filed with the State Department, Bureau of Corporations and Charitable Organizations for Miller Street, LP demonstrates that Bridging the GAP, LLC is a general partner of the newly formed ownership entity and that they share the same office premises; and

WHEREAS, HACP will continue to negotiate, support, and finalize the deal with the newly created owner entity Miller Street, LP for the Project.

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 continue, support and negotiate with the newly created entity Miller Street, LP as the Project's owner and developer; and

Section 2. The Executive Director or his Designee is hereby authorized to negotiate and complete due diligence for the Gap Financing and make a Gap Financing commitment for the Project up to \$419,998.00 to Miller Street, LP; conditioned upon further negotiation of terms and conditions. The Gap Financing will be provided from MTW and/or program income funds.

Ms. McDonald-Roberts asked for a motion to approve the resolution. Peter Kaplan made a motion and Janet Evans seconded the motion:

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

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

"NAYS": None

The Chair declared the motion carried and the resolution approved.

RESOLUTION No. 64 of 2017

A Resolution – Authorizing HACP to Grant Funds to ARMDC for PBV and Gap Financing Project, Elmer Williams Square

WHEREAS, over the next three (3) years, the Housing Authority of the City of Pittsburgh’s (HACP) goal is to create two hundred (200) additional, affordable housing units utilizing Section 8 Project-Based Vouchers (PBV) and Gap Financing strategies with private affordable housing owners and developers using the mixed-finance development approach; and

WHEREAS, HACP has subsequently selected and negotiated with certain developers/nonprofits to support their proposed projects with PBV & Gap Financing pursuant to Board Resolution No. 4 of 2016 and Request For Proposals (RFP) #600-39-15; and

WHEREAS, on February 24, 2016, HACP selected and made a conditional commitment to Elmer Williams Square project for PBV assistance and \$829,884.00 of Gap Financing funds in the form of a loan for 37 (thirty-seven) low income rental units comprised of 36 (thirty-six) rehabilitation units and 1 (one) new construction unit (“Project”) in the Larimer neighborhood which is a target neighborhood of U.S. Department of Housing and Urban Development’s (HUD) Larimer/East Liberty Choice Neighborhoods Implementation Grant program; and

WHEREAS, HACP has selected Allies and Ross Management and Development Corporation (ARMDC) to implement the Project; and

WHEREAS, the Project will be approved by HUD as a local non-traditional development project; and

WHEREAS, HACP will grant \$829,884.00 of gap financing funds to ARMDC in order for ARMDC to provide a gap financing loan to the owner entity of the Project.

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 transfer \$829,884.00 of Gap Financing Funds in order for ARMDC to provide a gap financing loan to the owner entity of the Project; and

Section 2. The Executive Director or his Designee is hereby authorized and directed, in the name of and on behalf of HACP, to 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 Elmer Williams Square development activities.

Ms. McDonald-Roberts asked for a motion to approve the resolution. Janet Evans made a motion and Richard Butler seconded the motion:

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

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

“NAYS”: None

The Chair declared the motion carried and the resolution approved.

RESOLUTION No. 65 of 2017

A Resolution – Revising the Low-Income Public Housing Flat Rent Schedule, as required by HUD

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) establishes Fair Market Rents (FMR) for each market area in the United States; and

WHEREAS, public housing authorities (PHAs) are required to establish a Flat Rent Schedule for each public housing unit based on market rates, and are required to revise that schedule annually; and

WHEREAS, at recertification, PHA’s must offer tenants the option of paying either the Flat Rent or the income-based Brooke Rent; and

WHEREAS, HUD Notice PIH 2015-13 requires public housing authorities to review the FMR’s published annually, and to modify the previously approved flat rent schedule if the existing flat rents are less than 80% of the FMR; and

WHEREAS, the HUD published 2018 Fair Market Rents increased for all unit sizes, requiring the HACP to modify its Flat Rent Schedule for all unit sizes; and

WHEREAS, the revised Flat Rent Schedule was posted for public comment from October 6, 2017 until November 6, 2017, and public hearings were held on October 23, 2017 at 12:00 noon and 6:00 P.M.; and

WHEREAS, HACP received no comments on the proposed revised Flat Rent Schedule.

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

Section 1. The revised Flat Rent Schedule for the Low Income Public Housing program (LIPH), attached hereto as Exhibit A, is hereby approved; and

Section 2. The revised Flat Rent Schedule for the LIPH is effective February 1, 2018.

Ms. McDonald-Roberts asked for a motion to approve the resolution. Peter Kaplan made a motion and Leroy Morgan seconded the motion:

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

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

“NAYS”: None

The Chair declared the motion carried and the resolution approved.

RESOLUTION No. 66 of 2017

A Resolution – Ratifying the Executive Director’s decision to write off Collection Losses in the amount of \$71,035.98 from the Tenant Accounts Receivable for the months of July 2017 through September 2017

WHEREAS, the net amount of past-due accounts of tenants who are no longer occupying a dwelling unit and who have not responded to collection notices from the Housing Authority of the City of Pittsburgh (HACP) during the months of July 1, 2017 through September 30, 2017 was \$71,035.98; and

WHEREAS, reasonable means of collection have been exhausted against these accounts; and

WHEREAS, the total collection losses written off from the tenant accounts receivable balance is \$71,035.98 which is 3.33% of the total rent and associated charges of \$2,130,924.28 for the 3rd quarter of 2017.

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

Section 1. The Executive Director’s decision to write off collection losses of \$71035.98 from the tenant accounts receivable balance for July 1, 2017 through September 30, 2017 is hereby ratified.

Ms. McDonald-Roberts asked for a motion to approve the resolution. Janet Evans made a motion and Leroy Morgan seconded the motion:

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

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

“NAYS”: None

The Chair declared the motion carried and the resolution approved.

RESOLUTION No. 67 of 2017

A Resolution - Authorizing the Executive Director or his Designee to award a contract to Cima Corporation to provide software support, upgrades, and consulting services for the continued use and further implementation of the DocuClass Document Imaging system for the Housing Authority of the City of Pittsburgh

WHEREAS, in 2012 the Housing Authority of the City of Pittsburgh (HACP) procured document imaging software licensed from Cima Corporation; and

WHEREAS, since that time the HACP has implemented document imaging in several areas of the Authority; and

WHEREAS, the HACP has determined that it is in its best interest to continue and expand the use of DocuClass document imaging software in the Agency; and

WHEREAS, the HACP solicited proposals to support DocuClass document imaging software in April of 2017 and received a single proposal from Cima Corporation; and

WHEREAS, the HACP has received approval from HUD of the sole source procurement; and

WHEREAS, this procurement was conducted in accordance with applicable federal, state and local procurement rules and regulations and the procurement policies and procedures of the HACP.

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 a contract with Cima Corporation for DocuClass software support, configuration and implementation assistance, and the purchase of additional licenses for three (3) years with two (2) one (1) year extension options; and

Section 2. The total five (5) year authorized amount of \$409,930 shall be payable from MTW funds.

Ms. McDonald-Roberts asked for a motion to approve the resolution. Peter Kaplan made a motion and Richard Butler seconded the motion:

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

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

“NAYS”: None

The Chair declared the motion carried and the resolution approved.

RESOLUTION No. 68 of 2017

A Resolution – Authorizing the Executive Director or his Designee to enter into a Contract with The Hartford Life and Accident Insurance Company for the Housing Authority of the City of Pittsburgh (HACP) Employee Group Term Life Insurance, Accidental Death and Dismemberment Insurance and Group Long Term Disability Insurance

WHEREAS, the Housing Authority of the City of Pittsburgh (HACP), in accordance with its policy and per its Collective Bargaining Agreements, provides Term Life, Accidental Death and Dismemberment and Long Term Disability insurance to its full time union and non-union employees; and

WHEREAS, the HACP’s contract with The Hartford Life and Accident Insurance Company for employee Group Term Life Insurance, Accidental Death and Dismemberment, and Long Term Disability benefits expires on December 31, 2017; and

WHEREAS, the HACP issued a Request For Proposals (RFP) and the highest ranked proposer is The Hartford Life and Accident Insurance Company; and

WHEREAS, this procurement was conducted in accordance with applicable federal, state and local laws and regulations and the procurement policies and procedures of the HACP.

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

Section 1. The Executive Director or his designee is authorized to enter into an agreement with The Hartford Life and Accident Insurance Company for Group Term Life Insurance, Accidental Death and Dismemberment Insurance and Group Long Term Disability Insurance for a three (3) year period not-to-exceed \$458,545.00 for three (3) years; and

Section 2. The cost of these contracts is to be paid for from MTW funds and employee contributions.

Ms. McDonald-Roberts asked for a motion to approve the resolution. Peter Kaplan made a motion and Richard Butler seconded the motion:

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

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

“NAYS”: None

The Chair declared the motion carried and the resolution approved.

RESOLUTION No. 69 of 2017

A Resolution –Authorizing the Executive Director or his Designee to Enter into Contracts for Employee Health/Prescription, Dental and Vision Benefits.

WHEREAS, the Housing Authority of the City of Pittsburgh (HACP) by its policy and as required in its Collective Bargaining Agreements, provides medical, dental and vision benefits to its union and non-union employees; and

WHEREAS, HACP’s existing/former contracts with the University of Pittsburgh Medical Center (UPMC) for Exclusive Provider Organization (EPO) and Point of Service (POS) Health and Prescription Drug benefits, Delta Dental benefits, and Vision Benefits of America benefits for employee and dependent coverage will expire on December 31, 2017; and

WHEREAS, the HACP issued a Request For Proposals (RFP) and the highest ranked proposers in each area were University of Pittsburgh Medical Center Health Plan (UPMC) for health and prescription coverage, and for vision coverage, and United Concordia for Dental coverage; and

WHEREAS, this procurement was conducted in accordance with federal, state and local laws and regulations and the procurement policies and procedures of the HACP.

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

Section 1. The Executive Director or his Designee is authorized to enter into an agreement with UPMC Health Plan for Health and Prescription coverage and vision coverage, and United Concordia for Dental Coverage, each for a period of three (3) years, in amounts not-to-exceed \$14,794,144.00 (health and prescription), \$71,667.00 (vision), and \$523,304.00 (dental) for three (3) years; and

Section 2. The cost of these contracts is to be paid for from MTW funds and employee contributions.

Ms. McDonald-Roberts asked for a motion to approve the resolution. Leroy Morgan made a motion and Peter Kaplan seconded the motion:

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

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

“NAYS”: None

The Chair declared the motion carried and the resolution approved.

RESOLUTION No. 70 of 2017

A Resolution - Reallocation of Grant Funds in the Project-Based Voucher and Gap Financing Program to increase its award to \$8,481,528 for Crawford Square and Authorizing the Executive Director or his Designee to Enter Into a Grant Agreement with ARMDC to Make an Additional Investment for the Preservation of 194 Units at Crawford Square

WHEREAS, one of the core objectives of the Housing Authority of the City of Pittsburgh (HACP) is to “expand affordable housing options” within the City of Pittsburgh; and

WHEREAS, at its January 28, 2016 board meeting with Resolution No. 4, the Board of Commissioners authorized the selection of multiple Owners/Developers as a part of HACP’s new initiative, the Project-Based Voucher (PBV) and Gap Financing program, aimed to preserve and increase affordable housing units throughout the City of Pittsburgh; and

WHEREAS, HACP selected McCormack Baron Salazar (MBS) as one member of the slate of Owners/Developers to participate in the PBV and Gap Financing program specifically for the preservation of 194 housing units within its Crawford Square community; and

WHEREAS, between 1993 and 1999, Crawford Square was developed as a three (3) phased mixed-income community with a total of 348 units; 194 of the 348 units are affordable Low Income Housing Tax Credit (LIHTC) units, and several of the units are occupied by HACP’s tenant-based voucher holders; and

WHEREAS, in furtherance of the HACP mission, HACP also selected its non-profit instrumentality, Allies & Ross Management and Development Corporation (ARMDC), to assist HACP to achieve its objectives; and

WHEREAS, in November 2015, the Urban Redevelopment Authority of Pittsburgh (URA), a governmental entity and partner to HACP on several other housing development projects, invited HACP to partner with the URA to preserve 194 affordable housing units at Crawford Square since the majority partner of the previous owner advertised to sell the property on the open market; and

WHEREAS, the Tax Credit Compliance Period for all three (3) phases has expired, and if the property were to be sold to a third party, the new owner potentially had the ability to transform all of the 194 affordable units into market rate units; and

WHEREAS, in order for the URA to protect its outstanding investment in Crawford Square and the City of Pittsburgh’s desire to continue to keep 194 units out of the 348 units affordable for the next 30 years, URA requested that HACP become a partner in a new ownership entity; and

WHEREAS, the transactions requires a two (2) step process with the proposed first step having taken place in August 2016 with the acquisition of the property through bridge loans from third party financial institution(s); and

WHEREAS, the second step will involve an application for a 4% tax credit and preparation for financial closing requiring HUD’s approval of a mixed-finance proposal, whereby ARMDC will increase its existing \$6,000,000 loan to \$7,994,993, an increase of \$1,994,993, and convert its

existing bridge loan investment to a permanent loan subordinated to a new first mortgage, resulting in a new affordability period of thirty (30) years for the 194 units at Crawford Square; and

WHEREAS, an additional increase of \$486,535 will be added to the permanent loan, bringing the total investment to \$8,481,528. An agreed upon priority placement for the \$486,535 has been established, obtaining repayment of these funds by Year 3.

WHEREAS, ARMDC will receive grant funds in the amount of \$8,481,528 of the 194 units designated Program Income and/or Capital Funds from HACP, of which ARMDC will utilize to consummate the transactions contemplated herein at reasonable, commercial rates and terms.

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

Section 1. The Executive Director or his Designee is hereby authorized to make a grant from HACP to ARMDC in the aggregate amount of \$8,481,528 which ARMDC shall utilize to invest for the preservation of 194 affordable housing units at Crawford Square in the Hill District, City of Pittsburgh; and

Section 2. The Executive Director or his Designee shall execute a grant agreement with ARMDC enabling ARMDC to make a permanent loan to the new ownership entity for Crawford Square as part of a mixed-finance closing with URA subject to HUD's approval; 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 loans to carry out the Crawford Square Investment Activities and (ii) complete any and all additional actions that are legally permissible and necessary or advisable to effect the loans to the new ownership entity of Crawford Square to carry out the Crawford Square Investment Activities contemplated herein.

Ms. McDonald-Roberts asked for a motion to approve the resolution. Peter Kaplan made a motion and Richard Butler seconded the motion:

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

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

"NAYS": None

The Chair declared the motion carried and the resolution approved.

There were no further resolutions.

EXECUTIVE REPORT: The Executive Report was previously provided to the Board. Mr. Binion discussed how simple everything looks on the surface but is very complicated to run the agency and its projects.

NEW BUSINESS: There was no new business.

AJOURNMENT: The Chair asked for a motion to adjourn the meeting. Janet Evans made a motion to approve and Leroy Morgan seconded the motion.

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

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

“NAYS”: None

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

Recording Secretary