



# RAISING THE BAR



2008 Annual Report

# Mission Statement

To be the flagship agency providing property management and real estate development services in the City of Pittsburgh, thereby creating environments that improve the quality of life for HACP customers

RAISING  
THE BAR

**The Housing Authority of the City of Pittsburgh Board of Directors:**

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# From the Executive Director



I am greatly pleased to report that the Housing Authority of the City of Pittsburgh (HACP) has helped raise the bar for quality affordable housing in Pittsburgh, Pennsylvania, and beyond through a number of milestone accomplishments realized in 2008.

In the following pages, you will see a glimpse of a number of notable accomplishments, including major new development projects, operational improvements and resident empowerment initiatives. Much of this has been made possible by this agency's stern commitment to fiscal prudence. As a result of this commitment, HACP ended a recent trend of deficit spending and closed out the 2008 calendar year with a balanced budget.

Development efforts of note in 2008 include the completion of Phase II of Bedford Hill and continued progress on Phase III of Bedford Hill. Redevelopment efforts in Garfield Heights are also well under way, with Phase I construction kicking off in early 2008 with the goal of completing Phase I by the end of 2009. Additional accomplishments include the disposition of the Lou Mason High Rise in Addison Terrace and Auburn Towers, which had both become obsolete. I am also very pleased to report that the Authority created an additional 50 handicapped-accessible homes in 2008.

The Authority also took a close look at safety and security in 2008 and took several steps to improve the quality of life for our 20,000 plus residents. In order to further enhance safety in our communities, HACP partnered with the City of Pittsburgh Police Department on a crime prevention initiative and continued the implementation of several new supportive services.

2008 marked the beginning of new initiatives such as the mandatory work requirements and minimum rent policies, which are paired with the agency's Family Self-Sufficiency Programs. Now, more than ever, HACP residents have access to the training and tools that they need to obtain employment or education and proceed down the path to self-sufficiency.

HACP made great strides during 2008 and is poised to continue to advance our strategic goals in the upcoming years. Our plans for 2009 included further increasing enrollment in our Family Self-Sufficiency Program, continued improvement of our public housing stock – which will be highlighted by the completion of Phase I of Garfield Heights – and the continued use of new technologies to improve operational efficiency and further increase employment opportunities for HACP.

A handwritten signature in blue ink, appearing to read "A. Fulton Meachem Jr." with a stylized flourish at the end.

A. Fulton Meachem Jr.  
Executive Director

# A Message from the Mayor



Greetings! For the Housing Authority of the City of Pittsburgh (HACP), 2008 proved to be a banner year. Not only did the HACP celebrate numerous achievements, it has set the course for fiscally prudent management, sound and strategic investment, and effective supportive services for residents. It continues to make a significant positive impact on the quality of life of its residents and the City of Pittsburgh.

It was another impressive year for the HACP. Highlights included: a balanced budget, implementing a new budget and tracking system; the completion of Bedford Hill Phase II and progress on Phase III; redevelopment efforts in Garfield; completion of more than 50 handicapped-accessible homes; collaboration with City of Pittsburgh Police to prevent crime and ensure a clean and safe community; outstanding fundraising efforts; and even plans to go green with an energy savings program designed to reduce utility costs for HACP residents!

The HACP continues to serve as the catalyst for a better future for city housing. Its ongoing commitment to creating and maintaining positive places for city residents to live, work and play is a direct result of the hard work, dedication and expertise of the employees of the HACP.

Today, Pittsburgh is at the forefront of the nation. Thanks to our high quality of life, good government and flourishing economy, we are America's Most Livable City. By working together, Pittsburgh will continue to grow and prosper.

I look forward to continuing that work with the HACP to make a better Pittsburgh.

Thank you for your continued support of the mission and objectives of the Housing Authority of the City of Pittsburgh.

A handwritten signature in blue ink that reads "Luke Ravenstahl". The signature is fluid and cursive, written in a professional style.

Luke Ravenstahl  
Mayor, City of Pittsburgh

# Highlights

Throughout 2008, HACP continued the process of implementing a system of asset management for each of its communities. This process, which began in 2005, was designed to decentralize the agency's organizational structure and convert to a site-based management system. Accomplishments in 2008 include further streamlining of staff, improved tracking systems and the further implementation of a site-based waiting list.

HACP implemented a series of modifications to its Admissions and Continued Occupancy Policy (ACOP) that were recommended in 2007. This includes a working preference for admissions to housing programs, a shortened eviction notice period for certain lease violations and a working requirement for all able-bodied adults.

Additional highlights of 2008, which are discussed in greater details in the pages to follow, include:

- Implementation of a Landlord Responsibility Program;
- Improved quality controls within the Housing Choice Voucher Program;
- Achievement of 23 percent MBE/ WBE business participation;
- Reversal of deficit spending and balancing the 2008 budget;
- Completion of Bedford Hill, Phase I;
- Beginning of Phase I redevelopment of Garfield Heights;
- Modernization of 55 UFAS units in public housing;
- Development of the A. Philip Randolph Adult Learning Center in Bedford; and
- Overhaul of HACP Youth Scholarship Program.





## Operations & Administration

In early 2008, HACP initiated an agency-wide effort to improve quality controls and customer service within its Housing Choice Voucher Program (formerly known as Section 8). As part of this effort, HACP initiated a series of enhancements to the HCV Program designed to maintain a higher level of accountability from both tenants and landlords participating in the program. The Authority has taken measures to streamline internal efficiency, improve customer service and enforce tougher standards during unit inspections.

HACP now requires its housing inspectors to obtain Housing Quality Standards (HQS) inspection certification, issued by a third-party vendor. The effort has yielded strict compliance with the housing quality standards by both tenants and HCV Program landlords. This has greatly reduced the possibility of tenants using their Housing Voucher toward an apartment or house that does not meet HUD's Housing Quality Standards.

In 2008, HACP issued more than 3,300 inspection failure notices, and issued a total of 374 final failure notices. Final failure is the result of two failed inspections and results in the discontinuation of a Housing Assistance Payment for a particular property. This represents an increase of more than 1,300 failed inspections and 320 final failures from calendar year 2007.

HACP launched a new customer service hotline in order to provide a single point of contact for citizens, landlords and program participants to raise questions or concerns regarding the Housing Choice Voucher Program. The customer service hotline was developed to make it easy for the community to share their concerns regarding the program with the HACP staff. If someone calls with a question or concern, HACP policy mandates that the person is provided with a return call within 24 hours.

Questions or concerns regarding the Housing Choice Voucher Program may be directed to the new customer service hotline at 412-456-5111, 24 hours a day. Comments or questions may also be submitted via e-mail to: [hotline@hacp.org](mailto:hotline@hacp.org). Since it launched in June 2008, the hotline has received roughly 15 calls per week.

HACP began the implementation of its Landlord Responsibility Program, resulting in more stringent enforcement of inspection standards. The program requires landlords to participate in an orientation process and suspends payment on all of a landlord's participating properties in the event that any one of that landlord's properties becomes tax delinquent.

Another major 2008 HACP initiative was the execution of an Energy Savings Contract with Honeywell International, beginning an effort to install a number of energy savings measures in HACP communities. Under an energy savings contract, improvements are paid for by energy savings resulting from the improvements. Therefore, these investments do not result in any cost to the Housing Authority.

HACP and Honeywell hosted an Energy Fair in October 2008 to introduce public housing residents to energy saving practices that they are encouraged to use within their homes. The event provided HACP

residents with tips and strategies for reducing their energy consumption and served as the official kickoff of a 12-year conservation program developed by HACP and Honeywell.

Implementation of the energy savings practices began in late 2008. Measures include the installation of: new low-flow toilets, faucet aerators for kitchen and bathroom sinks, compact fluorescent light bulbs (CFLs), pre-programmable thermostats, Energy Star® refrigerators and high efficiency boilers. Conservation practices include central geothermal heating and air conditioning systems in certain communities, improved roof insulation and the installation of weather stripping around windows, decks and roof vents.

The goal of this initiative is to allow HACP to ultimately manage our housing stock in a manner that is environmentally friendly and cost effective, while at the same time helping to increase energy efficiency and enhance public safety.

We are proud of the accomplishments reached over the course of the last year. In particular, we are proud to note that the Housing Authority of the City of Pittsburgh achieved 23 percent Minority & Women Business Enterprises (MBE) Participation on contracts totaling more than \$47 million.



# Occupancy Level

The number of families served by HACP declined from 9,197 households on Jan. 1, 2007, to 9,361 households on Jan. 1, 2008. However, the total number of households served by HACP continues to be higher than the number served upon HACP's entrance into the Moving to Work program on Jan. 1, 2001.

The decline in households served stems largely from a reduction in the number of Section 8 voucher holders. Occupancy in older HACP communities has been on the decline for several years, while the population of mixed-financed communities built from the mid '90s and beyond remains consistently near 100 percent.

## Budget & Finance

The Housing Authority of the City of Pittsburgh successfully reversed a recent trend of deficit spending and completed 2008 with a balanced budget.

HACP projects a balanced budget once again in 2009 and is maintaining strict fiscal prudence to attain this goal. To reach this level of stability, HACP

streamlined its operating practices and introduced cost-cutting measures, such as reducing housing assistance expenditures and eliminating a number of vacant positions.

After a multi-year effort, HACP has also established a system of asset management budgeting and tracking.







## Development & Modernization

HACP had a productive year in regard to our development and modernization efforts in both our low-income public housing communities and our senior citizen communities. We've also reached a number of development milestones throughout the city.

In the Hill District, work was completed on the Bedford Hill Phase II development project. With the completion of this phase, HACP has developed more than 250 units of mixed-income housing along Bedford Avenue in the Middle Hill District. Included in Phase II of this effort are 16 newly constructed homes that will be reserved for the HACP Homeownership Program.

HACP has already begun furthering its redevelopment efforts in the Hill District with a third development phase in Bedford Hill. Construction began in 2008 and is well under way.

Redevelopment efforts in Garfield Heights are also progressing on schedule. The Authority and its development partner, KBK Enterprises, commenced construction efforts on the Phase I site and are on schedule to complete Phase I activities before the end of 2009. Phase I will consist of 90 newly constructed rental units, 50 of which will be reserved for low-income public housing residents, 20 for tax credit units, and the remaining 20 for market rate rental units. Ten units will be UFAS accessible.

Garfield Heights represents one of HACP's most ambitious redevelopment efforts to date. The goal for the project is to replace an obsolete and deteriorated public housing community with a vibrant new mixed-income community that is fully integrated into the surrounding neighborhood. The project includes new street plans, green space, a community center and an architectural style that was designed to reflect and accentuate that of the surrounding neighborhood.



Units in Garfield Heights will vary from two to five bedrooms, and include a mixture of single-family homes, duplexes and four-plexes. Each unit will have its own front porch, a private back yard and off-street parking. A number of green design concepts have been put into place in order to maximize energy efficiency and lessen the impact on the environment.

Garfield Heights will ultimately be completed in three phases, with Phase I concluding in late 2009 and Phase II commencing in 2010. HACP and KBK Enterprises have been awarded tax credits in the amount of \$10.9 million to finance 45 units for Phase II.

Modernization activities in 2008 included the completion of 55 units designed in compliance with Uniform Federal Accessibility Standards (UFAS). These handicapped-accessible units will be spread throughout the city, including the Pennsylvania-Bidwell and Glen Hazel high-rise communities. The UFAS construction is part of a major effort by HACP to construct or modify existing units in order to make 5 percent of all units fully UFAS compliant.

The Housing Authority also continued to remove obsolete housing stock from its portfolio with the demolition of the Lou Mason and Auburn Towers high-rise communities. Residents of the Lou Mason High Rise were previously relocated to the Legacy, on Centre Avenue, while residents of Auburn Towers were relocated throughout HACP's senior citizen communities in the East End, including Silver Lake Commons and Fairmont Apartments.



# HACP in the Community

HACP introduced several new initiatives designed to promote self-sufficiency in family housing communities and among our Housing Choice Voucher Program participants in 2008. Increasing and encouraging self-sufficiency was the primary motivation for these new measures, which include mandatory work requirements for able-bodied adult residents.

Under the mandatory work program, adult HACP residents are required to be either working, or actively participating in an HACP Family Self-Sufficiency Program or an authorized Welfare to Work Program. The requirement does not apply to senior citizens or people with disabilities.

HACP and the A. Philip Randolph Institute (APRI) proudly opened the A. Philip Randolph Adult Learning Center, located in the HACP's Bedford Hope Center, in June 2008.



This collaboration is consistent with the HACP's mission to encourage self-sufficiency and to provide ample opportunity for job training and placement for our residents. The support provided by the A. Philip Randolph Institute enhances the services available through HACP's Resident Employment Program, and ensures that HACP residents have access to the education and skills necessary to compete in the 21st century workforce.

As part of this effort, HACP purchased new computers for the Adult Learning Center and established a mentorship program for people seeking acceptance into union apprenticeship programs. The two entities have also launched youth apprenticeship programs for HACP resident youth in Bedford, Garfield Heights and Homewood North.

HACP and the APRI have also established a historical exhibit, housed in the Bedford Hope Center, depicting prominent blacks and their historical roles within the Pittsburgh steel industry.



HACP has maintained a level of success with a number of its other supportive services and programs. By hosting our first ever Charity Golf Classic, HACP infused more than \$45,000 into its Scholarship Program and continues to assist exceptional public housing students with their post-secondary education opportunities.

HACP also sustained continued success with its Homeownership Program, assisting six low-income families with the purchase of their first homes. Since July 2004, HACP has assisted 62 families through the process of becoming homeowners. Despite the difficult economic climate, there has not been a single foreclosure among Homeownership Program participants.

Youth-centered programs such as the Creative Arts Corner, Clean Slate and YouthSports provided outreach services to more than 1,000 public housing youth during 2008.

Through our FSS Program, HACP assisted six public housing families in achieving their goal of purchasing their own homes.

Our Section 3/ Resident Employment Program helped approximately 420 residents to secure or maintain employment. HACP has hosted a number of job fairs and provided an assortment of activities designed to connect our residents with the means to achieve their goals – be it employment, educational advancement or job training.

## What's Next

HACP has established long-term goals for 2009 and beyond and is looking forward to continuing to provide a high level of service to Pittsburgh residents. HACP looks forward to further increasing operational efficiencies, expanding housing choices for low-income families and providing incentives for families to become self-sufficient through creative service programs.

Our primary agency-wide goals for 2009 are as follows:

- 1 Maintain budgetary and fiscal prudence;
- 2 Be a high-performing agency;
- 3 Create communities that are safe, economically diverse, accessible and aesthetically pleasing;
- 4 Improve the quality of life for all HACP residents; and
- 5 Further utilize technology to improve organizational efficiency.



# Statement of Net Assets

DECEMBER 31, 2008 AND 2007

	2008	2007
<b>Liabilities and net assets</b>		
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable and other accrued liabilities	\$5,290,301	\$4,637,722
Accrued wage/payroll taxes payable	506,662	417,609
Accrued compensated absences – current	121,802	42,043
Accrued contingency liability	1,030,229	734,319
Accounts payable – HUD PHA programs	26,808	166,478
Accounts payable – PHA Projects	-	1,019,881
Tenant security deposits	287,049	277,999
Deferred revenue	237,330	238,228
Current portion of long-term debt	204,679	-
Other current liabilities	1,684,294	1,994,261
<b>Total current liabilities</b>	<b>9,389,154</b>	<b>9,528,540</b>
Noncurrent liabilities:		
Capital projects/mortgage revenue bonds	24,906,122	-
Accrued compensated absences – noncurrent	1,401,402	1,443,756
Other noncurrent liabilities	5,010,961	4,458,227
<b>Total noncurrent liabilities</b>	<b>31,318,485</b>	<b>5,901,983</b>
<b>Total liabilities</b>	<b>40,707,639</b>	<b>15,430,523</b>
<b>Net assets:</b>		
Invested in capital assets, net of related debt	63,576,541	62,378,135
Restricted for:		
Business activities loans	101,385,011	90,620,848
Low Income Public Housing Program	4,255,000	-
Housing Choice Voucher Program	1,084,747	-
Unrestricted net assets	42,295,133	30,790,442
<b>Total net assets</b>	<b>212,596,432</b>	<b>183,789,425</b>
<b>Total liabilities and net assets</b>	<b>\$253,304,071</b>	<b>\$199,219,948</b>

# HACP Communities

## Family Communities

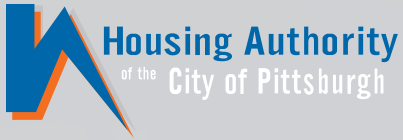
- Addison Terrace
- Allegheny Dwellings
- Arlington Heights
- Bedford Dwellings
- Garfield Heights
- Glen Hazel
- Hamilton-Larimer
- Homewood North
- Northview Heights Estates
- St. Clair Village

## Senior Citizen Communities

- Caliguirri Plaza
- Carrick Regency
- Glen Hazel/Bernice Crawley Manor
- Gualtieri Manor
- Mazza Pavilion
- Morse Gardens
- Murray Towers
- Northview Heights High Rise
- Pennsylvania Bidwell
- Pressley Street High Rise
- Finello Pavilion

## Privately Managed Communities

- Bedford Hill
- Commons at North Aiken
- Fairmont Apartments
- The Legacy
- Manchester
- Oak Hill
- Silver Lake Commons



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of the **City of Pittsburgh**

[www.hacp.org](http://www.hacp.org)



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