

**HOUSING AUTHORITY OF
THE CITY OF PITTSBURGH
2009 ANNUAL REPORT**



GARFIELD COMMONS

AGENCY 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.

THE HOUSING AUTHORITY OF THE CITY OF PITTSBURGH BOARD OF DIRECTORS:

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A MESSAGE FROM THE EXECUTIVE DIRECTOR

Greetings, and thank you for your interest in the activities of the Housing Authority of the City of Pittsburgh (HACP) – 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.

I'm pleased to report to you that throughout 2009 HACP has maintained a course of strict fiscal prudence, while simultaneously pursuing our mission of providing quality affordable housing to all Pittsburghers, regardless of income level. We are on the cusp of opening one of the most exciting new mixed-income communities in our great city, Garfield Commons, and aggressively moving to expand our portfolio of units that are fully accessible to persons with disabilities.

In 2009, the Housing Authority of the City of Pittsburgh received a \$27 million grant through the American Recovery and Reinvestment Act (ARRA). Nearly all of these funds were allocated toward the new construction, renovation, and/or acquisition of housing that meets the federal standard for accessibility. In short, these funds will allow HACP to quickly and efficiently ensure that each of our communities is fully accessible to persons with disabilities.

ARRA funding will also enable HACP to expedite physical improvements to several of our sites including Mazza Pavilion, which is slated for a comprehensive interior and exterior renovation. All ARRA funded projects will, meanwhile, adhere to HACP's Section 3 hiring requirements and we have pledged to be fully transparent with the spending of every last dollar of the award.

I encourage our residents, community partners and all interested parties, to follow our ARRA projects online. We will be tracking the progress and the budgets for each individual project through to completion. Visit www.hacp.org and look for our "Recovery Act Spending Tracker" which will be updated on a monthly basis and look for numerous visible improvements in our communities in 2009, 2010 and beyond.

Sincerely,

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

A. Fulton Meachem Jr.
Executive Director



OFFICE OF MAYOR LUKE RAVENSTAHL

Greetings! 2009 proved to be another successful year for the agency responsible for providing safe and decent housing for some 20,000 Pittsburghers – the Housing Authority of the City of Pittsburgh (HACP).

During the past year, HACP set a course for prudent fiscal management, strategic development and sound investment. The agency moved forward with a wide variety of projects, including: the comprehensive redevelopment of Garfield Heights; further improvements to its growing stock of handicap-accessible homes; and, the implementation of a massive energy savings initiative that will transform HACP's low-income housing communities into some of the Greenest, most energy efficient public housing communities in the nation.

I applaud HACP's effort to play a key role in the revitalization of the Garfield community and am both excited and encouraged by the plan to create a viable mixed-income community in the heart of that neighborhood. I am also glad that HACP is firmly instep with the Citywide effort to implement Green technologies whenever possible.

The HACP continues to serve as a 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 Housing Authority.

I thank you for your commitment to providing quality affordable housing to all residents of our great City and look forward to continuing to work with HACP to help make a better Pittsburgh.

Sincerely,



Luke Ravenstahl
Mayor, City of Pittsburgh



OPERATIONS & ADMINISTRATION

In 2009, HACP continued the process of implementing an asset management system for all HACP communities. This strategy was the result of efforts by the HACP to use Moving to Work (MtW) Program flexibility to evaluate the entire organizational structure of the HACP and has been underway since 2005. By 2006, as indicated by a variety of monitoring measures including REAC inspection scores, rent collections and resident response, the implementation of the asset management system at HACP appeared to be initially successful.

Throughout the last year, HACP further consolidated gains made in the asset management system by developing policies, procedures and monitoring measures integral to the system. HACP also continued to operate with site-based budgets rather than solely with centralized, department-based budgets, continuing to improve on a system first implemented in 2006.

HACP also improved systems for tracking and charging staff and materials costs to communities for work performed by centralized functions, and on the HACP materials ordering and supply program. Public Housing Management Software upgrade implementations continued in 2009, with additional elements planned for 2010.

Also in 2009, HACP continued to utilize the site-based waiting list system implemented in 2006 for all HACP communities. Through use of this system, HACP continued to increase the unit acceptance rate for applicants offered units.

HACP continued forward with the implementation of various modifications made to its Admissions and Continued Occupancy Policy (ACOP) and public housing lease in 2007. These changes include a working preference for admissions to housing programs and a requirement for able bodied non-elderly residents of public housing to either work, participate in Family Self-Sufficiency Programming, or be charged a minimum rental amount of at least \$150 per month.

MAZZA PAVILION

RENOVATION

DEVELOPMENT, MODERNIZATION AND CAPITAL PLANNING

The Housing Authority of the City of Pittsburgh continued to use MtW fiscal flexibility to further long term development efforts for older, out dated HACP communities. In fiscal year 2009, the HACP expended \$18,893,225 for development and redevelopment activities.

These amounts are in addition to funds leveraged by HACP investment, HACP funds totaling \$19,512,727 expended for capital improvement projects, and private funds expended for energy improvements in HACP communities via the Energy Performance Contract.

HACP completed the development of Bedford Hill Phase III and continued work on the homeownership phase of Bedford Hill. HACP also continued the re-development of the Garfield Heights community, completing construction of Phase I, initiating construction on Phase II, and submitting a tax credit application for Phase III.

Meanwhile, HACP further pursued long-term strategies for existing public housing communities. Addison Terrace has been identified as an opportunity for a complete community redevelopment effort.

As Occupancy levels remain stable at Addison Terrace, HACP is beginning to explore potential funding sources to help support the high costs of redevelopment. HACP is also awaiting the results of a new master planning process for the entire Hill District that also began in 2009.

At Northview Heights, HACP proceeded with renovations to create 26 Uniform Federal Accessibility Standards (UFAS) and 26 standard units. HACP also completed substantial site improvements and community space work in order to meet UFAS requirements. Additional site improvements were completed as part of the Energy Savings Contract, including the installation of geothermal heating and air conditioning that is expected to reduce energy costs and improve marketability. Energy Savings related improvements were also initiated at most other HACP properties, including geothermal heating and cooling at Homewood North and Arlington Heights.

At St. Clair Village, assessment and analysis of various options continued during 2009, including additional consultation with resident leadership and residents. Following detailed study and analysis, demolition was determined to be the most prudent course of action and a demolition application for the 131 units not previously approved for demolition was submitted. Relocation processes were initiated.

In addition to managing the extensive capital development projects noted above, the HACP expended \$19,512,727 for modernization and UFAS conversion projects in existing HACP communities, as noted above, and obligated additional funds on these activities.

BEDFORD HILL

HOME
OWNERSHIP



GARFIELD HEIGHTS

CONSTRUCTION



DEVELOPMENT, MODERNIZATION AND CAPITAL PLANNING (continued)

During fiscal year 2009, the HACP completed 73 additional fully UFAS compliant accessible housing units, of which 68 count towards HACP's Voluntary Compliance Agreement (VCA) objectives. As of December 31, 2009, HACP had completed and certified 229 UFAS units as per the VCA's UFAS unit plan, 16 short of the 245 units required. Eight additional units were completed and certified early in 2010, bringing the total to 237. The only remaining UFAS units benchmarked for 2009 are 8 scattered site units currently under construction.

HACP entered into a contract with Honeywell International in 2008 and, as of late 2009, began the process of implementing an energy savings program designed to conserve energy, reduce utility costs and improve the quality life for HACP residents. The overall goal of the project is to improve energy efficiency and provide HACP communities with the necessary resources to reduce their environmental footprint. The \$25.1 million conservation effort combines conventional retro fitting with renewable geothermal technology and is the latest in a line of HACP initiatives intended to modernize facilities.

HACP serves over 20,000 area residents and through facility upgrades and community involvement, through the Energy Savings Contract, HACP aims to cut annual carbon emissions by nearly 16 million pounds, saving approximately \$3.2 million yearly in utility costs. According to the U.S. Environmental Protection Agency, that is equivalent to the amount of carbon dioxide expended by 640 single family homes and the reduction is comparable to the removal of over 1,300 vehicles from the road.

An integral part of the upgrade is the installation of a new geothermal HVAC ventilation system, which reduces energy consumption by taking advantage of the natural heating and cooling of the earth. By using naturally stored energy to heat through the winter and dispersing the summer heat through a series of underground wells, leveraging these renewable resources will greatly reduce natural gas consumption in the Northview Heights, Homewood North and Arlington Heights mid-rise facilities. Construction was completed in late 2009.

In addition to HVAC systems, many other improvements will be made in the retrofit that will cut energy costs. New boilers will be installed in various facilities, buildings will be sealed to reduce the loss of heat and cool air, fluorescent lighting will be replaced with more energy efficient fixtures, new plumbing systems will be installed as well as aerating faucets and shower wands furthering water conservation efforts and many refrigerators will be replaced with high efficiency Energy Star models.

As part of the Energy Savings Contract, HACP initiated a variety of resident education activities designed to inform public housing residents about the pending improvements and to stress the environmental benefits of the program and the positive impact they can have on future generations.

RESIDENT SELF-SUFFICIENCY AND COMMUNITY OUTREACH

In 2009, HACP continued to utilize MtW flexibility to further develop resident self-sufficiency programs and improve integration of HACP social service programs with both internal and external resident services. Specifically, HACP continued to develop and expand its Realizing Economic Attainment for Life (REAL) Family Self-Sufficiency Program, including its Resident Employment Program component.

Implementation of the Community Planning Model, further development of programs targeting youth, and improved collaboration with the Allegheny County Department of Human Services and the Pennsylvania Department of Public Welfare were all significant focus areas in 2009.

Throughout the year, HACP continued to successfully utilize MtW flexibility to provide incentives and support to families wishing to become homeowners. Despite the unprecedented declines in the housing market in 2009, 12 HACP resident families became homeowners and many others began or continued the process of preparing for homeownership.

HACP also continued to make strides in enhancing the lives of our residents by providing opportunities to both set and achieve long term goals in home ownership, employment and education. Through programs such as the Family Self Sufficiency (FSS) program, the Housing Choice Voucher (HCV) program and others, HACP provides widespread incentives that raise the standard of living throughout our communities.

The HCV program provides rental subsidy to low-income individuals and families who reside in locations of their own choice throughout the city. As per the agreement, tenants pay 30 to 40 percent of their monthly income to a private landlord with the remainder of the rent paid for by HACP. Through the program, residents are able to work toward economic independence.

To receive a housing voucher, a resident must attend a briefing session and then locate a unit that meets HACP rental and inspection standards. A contract is then made between HACP and the landlord with a subsequent lease of at least one year. Families receiving assistance under the HCV program are also eligible to participate in the FSS program.

RESIDENT EMPLOYMENT PROGRAMS

O P P O R T U N I T Y





**RESIDENT SELF-SUFFICIENCY
AND COMMUNITY OUTREACH** (continued)

Housing and Urban Development (HUD) introduced FSS in order to help HCV families further their self-sufficiency goals and continue with their economic development. By working with welfare agencies, schools, business and other local entities, HUD and HACP are able to provide families with the necessary skills to find sustainable employment. Established in 1990 by section 554 of the National Affordable Housing Act, FSS was a successor to project self-sufficiency and operation bootstrap.

Alongside other HACP self-sufficiency programs, FSS has played an important role in creating relationships between benefiting residents and support service organizations. Services available to all HACP residents include GED preparation courses, training for job seekers, instruction on private business setup, a number of career oriented training programs, home ownership and employment counseling and other recreational and educational programs deemed necessary for the communities.



HOUSING AUTHORITY OF THE CITY OF PITTSBURGH

STATEMENTS OF NET ASSETS

DECEMBER 31, 2009 AND 2008



Assets	2009	2008
Current assets:		
Cash and cash equivalents:		
Cash:		
Cash - unrestricted	\$56,786,744	\$22,822,358
Cash - other restricted	35,913,173	26,369,737
Cash - restricted - tenant security deposits	268,121	287,049
Total cash	92,968,038	49,479,144
Investments (cash equivalents):		
Investments - unrestricted	7,662,355	22,510,170
Investments - restricted	10,217,428	31,234,918
Total investments (cash equivalents)	17,879,783	53,745,088
Total cash and cash equivalents	110,847,821	103,224,232
Accounts receivable, net of allowances for doubtful accounts:		
Accounts receivable - PHA projects	526,275	123,696
Accounts receivable - HUD other projects	5,360,230	3,217,818
Accounts receivable - other government	153,217	-
Accounts receivable - miscellaneous	61,166	69,404
Accounts receivable - tenants - dwelling rents	736,273	909,939
Allowance for doubtful accounts - dwelling rents	(560,065)	(491,891)
Mixed finance notes receivable - current	6,945,770	5,546,478
Fraud recovery	249,115	248,832
Accrued interest receivable	2,942	123,250
Total accounts receivable, net of allowances for doubtful accounts	13,474,923	9,747,526
Prepaid expenses and other assets - current	602,484	1,075,238
Inventories, net of allowance	1	2,250
Assets held for sale	486,866	510,017
Total current assets	125,412,095	114,559,263

	2009	2008
Noncurrent assets:		
Capital assets:		
Land	19,139,631	18,688,471
Buildings	273,188,523	284,014,714
Furniture, equipment, and machinery - dwellings	500,540	122,707
Furniture, equipment, and machinery - administration	3,240,435	3,529,221
Accumulated depreciation	(246,119,169)	(257,322,575)
Construction in progress	44,049,947	18,627,215
Total capital assets, net of accumulated depreciation	93,999,907	67,659,753
Prepaid expenses and other assets - noncurrent	400,000	-
Mixed finance notes receivable - noncurrent	-	7,000,000
Other notes receivable - noncurrent	614,790	650,326
Investment in mixed finance development activities, net of accumulated amortization	74,748,153	63,434,729
Total noncurrent assets	169,762,850	138,744,808
Total Assets	\$295,174,945	\$253,304,071



RELATIONSHIPS

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

Caliguiri 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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