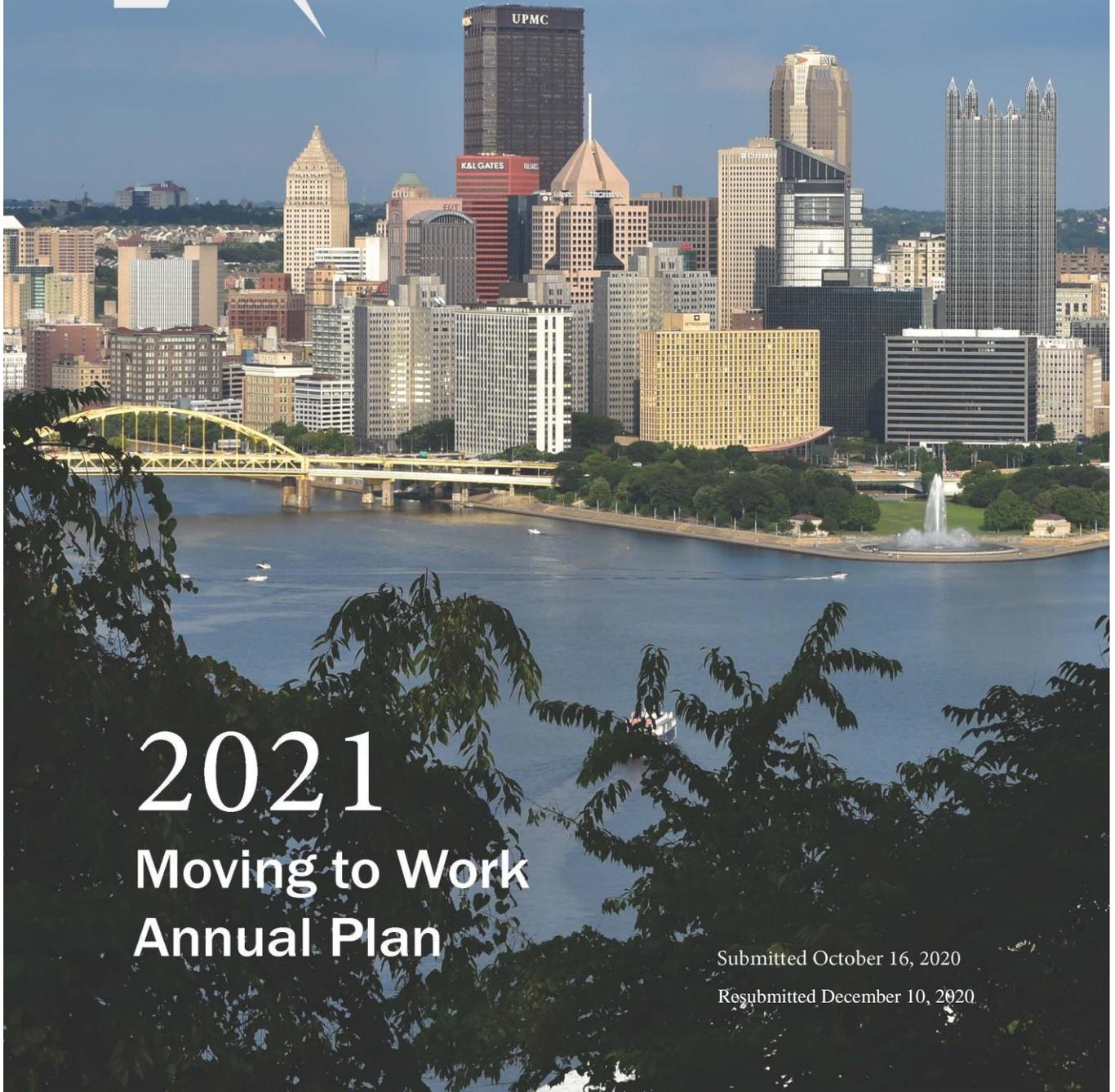




Housing Authority of the City of Pittsburgh



2021 Moving to Work Annual Plan

Submitted October 16, 2020

Resubmitted December 10, 2020

BOARD OF COMMISSIONERS

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**HACP 2021 Moving to Work Annual Plan
Submitted October 16, 2020- Resubmitted December 10, 2020**

Housing Authority of the City of Pittsburgh
Moving To Work Annual Plan
FY 2021

Table of Contents

Table of Contents	2
I. INTRODUCTION	4
A. Overview of the HACP’s Moving To Work Goals and Objectives	5
B. Long-Term Goals and Vision	5
II. GENERAL HOUSING AUTHORITY OPERATING INFORMATION	17
A. HOUSING STOCK INFORMATION	17
B. LEASING INFORMATION	23
C. WAITING LIST INFORMATION	24
III. PROPOSED MOVING TO WORK ACTIVITIES	26
A. HUD Approval Requested (New Activities)	26
IV. APPROVED MTW ACTIVITIES: HUD APPROVAL PREVIOUSLY GRANTED	27
A. Implemented Activities-Ongoing	29
1. Pre-Approval Inspection Certification	29
2. Preferred Owners Program	30
3. Modified Rent Policy with Work/FSS Requirement for Section 8/Housing Choice Voucher Program	33
4. Modified Rent Policy with Work/FSS Requirement for the Public Housing Program	33
5. Revised Recertification Requirements Policy	34
6. MTW Homeownership Program	34
a) Operation of a Combined Public Housing and Housing Choice Voucher Homeownership Program	34
b) Homeownership Assistance to include soft-second mortgage assistance coupled with closing cost assistance, homeownership and credit counseling, foreclosure prevention only; expanded eligibility to persons on the LIPH and HCV program waiting list and persons eligible; and establish a Homeownership Soft-Second mortgage waiting list.	35
7. Modified Housing Choice Voucher Program policy on maximum percent of Adjusted Monthly Income permitted	35
8. Modified Payment Standard Approval	36
9. Step Up to Market Financing Program - Use of Block Grant Funding Authority for Development, Redevelopment, and Modernization	37

10. Local Payment Standard-Housing Choice Voucher Program	40
B. Not Yet Implemented Activities	52
C. On-Hold Activities	52
D. Closed-Out Activities	52
E. Other Activities	53
1. Use of Block Grant Funding Authority to Support MTW Initiatives - Use of Block Grant Funding Authority to support Development and Redevelopment, Enhanced and Expanded Family Self-sufficiency and related programming, and the HACP MTW Homeownership Program.	53
2. Energy Performance Contracting	53
3. Establishment of a Local Asset Management Program	53
4. Acquisition of Property and Build-Out to be Utilized for Administrative Offices	53
V. ESTIMATED SOURCES AND USES OF FUNDING	54
VI. ADMINISTRATIVE	58
VII. APPENDICES	68
Appendix I. Local Asset Management Plan (LAMP)	68
Appendix II. Units Approved for Homeownership	71
Appendix III. Revised HACP MTW Homeownership Plan	75

I. INTRODUCTION

During Fiscal Year FY 2021, the Housing Authority of the City of Pittsburgh (HACP) is still committed to building better communities and improving the lives of the families who reside in HACP housing. Throughout FY 2020, the HACP strove to provide its 20,000+ customers with high quality, safe housing; while working to provide additional housing opportunities to the thousands of Pittsburgh families currently waiting to find suitable, affordable housing accommodations. Affordable housing opportunities in the City of Pittsburgh is the standard versus the exception, the HACP is pursuing.

The HACP has demonstrated a firm commitment to expanding our affordable housing portfolio to help meet the City of Pittsburgh's growing demand. This goal will be accomplished by developing hundreds of new units in locations throughout the city – including mixed-income developments in East End, the Hill District, and the North Side, as well as Scattered Site housing located throughout the city limits.

As Pittsburgh's renaissance continues, the HACP is taking measures to ensure that Pittsburgh's most vulnerable residents – our senior citizens, our disabled individuals and our low-income working families also are able to enjoy the benefits of our city's renaissance. Even in the face of unprecedented realities to include, a pandemic, these are just a few of the factors as to why it is essential to rebuild an adequate supply of affordable housing, and why the HACP is committed to creating a variety of new affordable homes.

In addition to our efforts to develop safe, affordable housing, the HACP is also poised to move forward with efforts to assist the 20,000+ Pittsburgh residents who currently reside in an HACP home or receive support through our Housing Choice Voucher (HCV) Program. The Family Self-Sufficiency (FSS) Program and other HACP resident initiatives are not limited to the Low-Income Public Housing (LIPH) Program. The resident initiatives, programs, and services through FSS are for both the LIPH and HCV residents and include, but are not limited to case management, linkages to services, employment, education and training. We provide our residents with the tools they need to become upwardly mobile and attain a higher quality of life. We provide training and employment opportunities to any HACP resident who is committed to achieving self-sufficiency.

Residents continue to enroll in our FSS Program and are working hard and striving daily to provide a better life for their families through participation in training programs, designed to produce quality, sustainable employment opportunities. We are changing the face of affordable housing in communities to include Sandstone Quarry (previously known as Allegheny Dwellings Phase I), Skyline Terrace and Larimer/ East Liberty Choice Neighborhoods. More importantly, we are helping to change the lives of the residents who call these communities their home.

A. Overview of the HACP's Moving To Work Goals and Objectives

The Housing Authority of the City of Pittsburgh (HACP)'s overarching Moving To Work (MTW) Goals are as follows:

1. To reposition the HACP's housing stock to preserve and expand affordable housing options and stabilize neighborhoods. These efforts are designed to result in housing that is competitive in the local housing market, is cost-effective to operate, provides a positive environment for residents, and provides broader options of high-quality housing for low-income families.
2. To promote independence for residents via programs and policies that promote work and self-sufficiency for those who are able to work; and, promote independent living for the elderly and disabled.
3. To increase housing choices for low-income families through initiatives designed to increase the quality and quantity of housing available to households utilizing tenant-based rental assistance and other available resources.

B. Long-Term Goals and Vision

The HACP's vision for its Moving To Work (MTW) Program is built around three (3) major themes that together will achieve the statutory objectives and requirements.

- *Theme one* is to reposition the HACP's housing stock to compete in the local market, stabilize neighborhoods, improve operational efficiencies, and expand housing choices for low-income families.
- *Theme two* is to promote self-sufficiency and independent living through a variety of enhanced services and policy adjustments. These programs and policies are designed to provide incentives to work for adult, able bodied, non-elderly heads of households and family members, and to promote social and academic achievement for children and youth. In addition to increasing economic self-sufficiency among assisted families, these programs and policies are expected to result in increased revenue for the HACP (increasing the cost effectiveness of federal expenditures) while increasing housing choices for families (with increased work and income they will have additional housing choices both within the HACP portfolio and within the larger housing market).
- *Theme three* is to increase housing choices for low-income families through initiatives designed to increase the quality and quantity of housing available to households utilizing rental assistance and other available resources.

Theme One: Repositioning of HACP's Housing Stock

Since the initial HACP MTW Annual Plan was submitted in FY 2001, a major component of the HACP's MTW strategy has been to reposition the HACP's housing stock through a) preservation of successful developments and b) revitalization of distressed developments through strategic investments that integrate public housing properties with their surrounding neighborhoods serving as a catalyst for the expansion of public and private investments in revitalizing neighborhoods. The HACP has also introduced market rate units into certain communities, such as Oak Hill, Garfield, and Allegheny Dwellings, to enhance their competitiveness and better integrate them into nearby neighborhoods.

Initiated prior to MTW, through three (3) HOPE VI redevelopment projects and continued through the MTW Program, the HACP has achieved great success.

A by-product of these redevelopment efforts is a reduced number of traditional, public housing units. This has been balanced by the addition of new affordable units supported by tax credits, project-based housing choice vouchers, and new units rented at market rates. In some of the HACP's mixed finance/mixed-income developments, a portion of the market rate units are rented at levels affordable to some low-income (80% of AMI) households. Traditional HCVs also support low-income families and occupancy of units available in the private market. It should be noted that our efforts have also reduced housing densities in communities, providing mixed-income housing and housing with modern conveniences.

The City of Pittsburgh experienced rapid growth in the technology and healthcare industries in recent years and this has resulted in high-end developers meeting the supply and demand of higher income residents moving into the region. Neighborhoods once abundant with affordable market rate rents experienced a surge in pricing for both new and existing units. Low-income families, including those utilizing HCVs, have increasing difficulty locating affordable homes in neighborhoods of opportunity and are increasingly priced-out of additional neighborhoods as the market continues to shift. There is a lack of affordable units in the City of Pittsburgh that disproportionately affects families at and below 30 percent (30%) of area median income. The HACP recognizes the affordable housing need and is working to address these concerns through a variety of strategies, including increasing landlord outreach and the development of a payment standard reflective of the increasing cost of housing. One (1) core strategy continues to be the creation of new, affordable units supported by tax credits and project-based vouchers. This approach has enabled the HACP to continue serving substantially the same number of families as would have been served, absent the MTW demonstration designation.

The "Step Up To Market Financing Program" initiative was created in FY 2012 and was initially included in the amended, FY 2012 MTW Annual Plan. This HUD-approved MTW activity has evolved to include several, innovative strategies for re-positioning of the HACP housing stock.

In FY 2020, the HACP was awarded five (5) National Association of Housing and Redevelopment Officials (NAHRO) Awards of Merit. These awards included Cornerstone Village-Phase II; Sandstone Quarry-Phase I; Northview Heights Public Safety Center (with the Pittsburgh Bureau of Police) *rededicated as the Officer Calvin Hall Public Safety Center in honor of Officer Hall, a fallen officer assigned to the substation*; Mobile Computer Lab 2.0; and for Elimination of Food Insecurity in Public Housing with the 412 Food Rescue.

The HACP has also continued to invest in its housing stock, including activities in Section II. The HACP completed phases I, II, III and IV of Addison redevelopment resulting in 311 new Project-Based Voucher (PBV) units and Phase I and II of Larimer Redevelopment resulting in 29 PBV and 75 Project-Based Rent units.

The HACP has also implemented an Energy Performance Contract for improvements that included but was not limited to the installation of energy efficient and cost saving geothermal heating (and cooling) systems at several developments. The HACP is committed to continuing these preservation and revitalization efforts to the greatest extent feasible with the funding available throughout the MTW demonstration. The HACP will track its energy, water, and electricity usage through the EPA's Energy Star Portfolio Manager for benchmarking purposes. The data will be used to augment pre-existing tools used to create future projections and pathways to accomplish the energy and water reduction goals of the City of Pittsburgh's Climate Action Plan by 2030. The HACP has also successfully implemented a MTW local non-traditional development program, the PBV/Gap Financing program, to support various private developers/owners in developing and preserving low-income affordable housing in various mixed-finance projects throughout the city since FY 2016.

The charts in this plan show projected sources of funds that can be used for capital projects, and projected uses of those funds over the next five (5) years. All of these numbers reflect projected obligations (not expenditure) of funds and are projections only and are subject to change based upon funding levels and opportunities, financial and real estate market conditions, new or changing regulations or requirements, or other unforeseen developments. The highlights of this plan relating to the repositioning of the HACP's Housing Stock are as follows:

Development	FY2021 Plans
Larimer/East Liberty Phase III	Phase III is part of the Larimer/East Liberty Choice Neighborhood Implementation Grant (CNIG) Program. Approximately 42 mixed-income rental units will be developed with the anticipated 9% Low-Income Housing Tax Credit (LIHTC). Construction is anticipated to start in 2021. The mixed-use building of Phase III will include 4,800-square feet of commercial/retail space on Larimer Avenue corridor.
Larimer/East Liberty Phase IV	Phase IV of the Larimer/East Liberty CNIG housing development consists of adaptive reuse and mixed-use of the historic Larimer School (35 units) and new construction of townhomes (7 units). This Phase will consist of approximately 42 mixed-income rental units and will be financed with a 9% LIHTC which was awarded in July 2019. Stabilization/remediation of the historic Larimer School started in April 2020 prior to financial closing (Q3 of 2020) with HUD's special waiver.
Larimer/East Liberty Phase V Large-family Scattered Site Replacement units	The HACP's intergovernmental contractor, Urban Redevelopment Authority (URA) of Pittsburgh will use a conventional public housing development method to develop two (2) 3-bedroom units and one (1) 5-bedroom replacement public housing units in the Larimer neighborhood under the CNI Grant program.
Bedford Dwellings Redevelopment	Although the 2018 CNIG application was unsuccessful, the HACP and the ARMDC continue to explore and work with public and private partners to identify the best opportunities to generate replacement units for the Somers Drive section of Bedford Dwellings in the Hill District. These opportunities can include the development of housing on the previously demolished site still controlled by the HACP, pursuit of a CNIG application in 2021 and a PBV/Gap Financing partnership with the URA qualified developers to implement part of the 2018 Choice Neighborhoods Transformation Plan on Center Avenue Corridor.
Northview Heights Midrise	The HACP plans to develop a new replacement building with up to 43 of public housing replacement units on 3.96 acres of vacant land to replace Northview High-rise senior apartments within the Northview Heights community and additional affordable off-site tax credit replacement units. The HACP and the ARMDC will prepare to submit a four percent (4%) LIHTC application in spring of 2021. Financial closing, land disposition and construction can begin in late 2021. The HACP is also considering alternative sites/real estate throughout the City of Pittsburgh (off-site) to acquire/rehabilitate and/or construct additional replacement units.
Scattered Site Improvement Planning and Implementation	The HACP will continue to review various asset management and housing acquisition and rehabilitation options to improve the quality of housing stock and preserve long-term affordability of scattered site units. Other developers/contractors may be utilized as necessary to complete rehabilitation of scattered site units.

Manchester	Manchester is an early HOPE VI mixed-finance redevelopment with 86 units. The LIHTC compliance period ended in 2016. The HACP and its partners acquired the property in 2017. The HACP proposes to preserve the 86 affordable rental units with HUD’s Rental Assistance Demonstration (RAD) and project-based voucher program. The HACP received HUD’s approval for RAD application (Commitment for Housing Assistance Payment or CHAP) in May 2020. The ARMDC is the developer and will submit a LIHTC application in late 2020 or early 2021.
Turnkey Development of Scattered Sites	Two (2) Community Development Groups/Faith-based Organizations were selected in FY 2016 to develop up to fifty (50) turnkey units over the next successive (five years). Turnkey development of twenty (20) scattered sites in the East Liberty Neighborhood is managed by East Liberty Development Corporation (ELDI). All 20 units of ELDI turnkey housing development are completed. The final two (2) units that were closed in July 2020. Amani Christian Community Development Corporation (ACCDC) are separately developing a turnkey project in the Middle Hill District. This is a twenty-two (22) unit scattered site initiative. This is currently in the design and pre-development stage.
St. Clair and Vacant Lots	The HACP and its negotiated buyer, the (URA) will revise the disposition application for the former St. Clair Village property based on HUD Special Application Center’s comments. The URA in coordination with a neighborhood partner, Hilltop Alliance, would like to redevelop the property in whole or in part with options that may include a planned community with affordable, market rate, mixed-income, rental and/or owner occupied housing, and an urban farm with farm facilities. Conveyance options include sale for Fair Market Value, or other options available in the Section 18 Demo/Dispo federal regulations. The HACP plans to submit a revised St. Clair disposition application to HUD in Q3 of FY 2020.
Disposition, Acquisition and Redevelopment of Properties	The HACP continues to plan for the acquisition and redevelopment of agency owned and acquired property. Mixed-finance development of vacant properties at Bedford Dwellings and at Cove Place in Glen Hazel as well as other self-development opportunities are in the initial planning phases. A large swath of vacant land on Francis Street is planned for the first phase of the Bedford Dwellings redevelopment. The HACP intends to redevelop the vacant parcels. In addition, the HACP plans to implement an adjacent/vacant lot disposition program designed to sell vacant lots that are not required as part of development or modernization initiatives. The intended outcome is that neighbors are able to purchase side lots for a beneficial reuse that will beautify the neighborhood.

<p>City's Edge</p>	<p>Identified through the PBV Plus Gap competitive selection process in FY 2018. The HACP has committed to awarding a number of PBV vouchers and gap financing for the project located in the Uptown Neighborhood of Pittsburgh. The development is a new Construction, mixed-use, mixed-income, nine-story, condominium, elevator building. It is proposed to have approximately 110 units; 92 supported by Project-Based Vouchers (PBV) and 18 market-rate units. This project is workforce targeted. There will be a commercial component of the property that may include a parking garage and proposed space for a daycare, after school program, MBE/WBE incubation space, restaurant, medical care facility, business center, a fitness room or a combination thereof.</p>
<p>Acquisition and Build-Out of New Administrative Space and Disposition of HACP Office</p>	<p>The HACP purchased office space located at 412 Boulevard of the Allies (f.k.a. 420 Boulevard of the Allies) on September 20, 2018. The new space will be renovated to suit the needs of the HACP with COVID conscious public reception/interaction space and modern office space for staff. The HACP will also dispose of its current administrative space located in the John P. Robin Civic Building, which is expected to take place after FY 2021. All moving for the new space should be completed by the end of FY 2021.</p>
<p>Oak Hill RAD</p>	<p>A nine percent (9%) tax credit application was submitted to the PHFA in FY 2019 for the Oak Hill Major Reconstruction of Obsolete Properties (MROP) units. Based on the resulting award, a closing for this phase should take place by the end of FY 2020. A Converted Awaiting Transfer request has been approved by HUD for early demolition of the units in the meantime.</p>
<p>2017 PBV/Gap Financing RFP</p>	<p>Ongoing construction of the Lemington Senior Development is anticipated to reach completion by June 2021. There will be a total of 54 Units with 100% supported by PBVs. Gap financing amount: \$3,984,900.</p>
<p>2018 PBV/Gap Financing RFP (MTW Local Non-Traditional activity)</p>	<ol style="list-style-type: none"> 1. Pre-development planning is ongoing for City's Edge. This project is in the process of preparing for financial closing for up to 92 PBV Units, 18 market rate units; 110 Total Units. Gap financing amount: \$5,000,000. 2. Pre-development activities are ongoing for North Negley Residences: This project is in the active predevelopment for 10 PBV Units, 45 Total Units. Gap financing amount: \$875,000. 3. Pre-development activities are ongoing for New Granada Square: In process of predevelopment for 10 PBV Units, 40 Total Units. Gap financing amount: \$1,000,000. 4. The HACP's commitment for PBV/Gap Financing for the following development projects has been rescinded due to lack of progress including site control and project financing. <ol style="list-style-type: none"> a. Herron Ave/Ossipee Homes b. Western Restoration c. Lexington Technology Park

2019 PBV/Gap Financing RFP (MTW Local Non-Traditional activity)	<p>The HACP awarded conditional commitments of PBV/Gap Financing for a new pool of development projects as follows.</p> <ol style="list-style-type: none"> 1. Gladstone Residences (The Community Builders, Inc.): 20 PBV units, 33 Non-PBV units. Gap financing amount: \$600,000. 2. Harvard Beatty Street Housing (TREK Development Group, Inc.): 8 PBV units and 14 Non-PBV units. Gap financing amount: None. 3. Hazelwood Phase I (Hazelwood Initiative, Inc.): 8 PBV units and 34 Non-PBV units. Gap financing amount: \$481,000. 4. Fifth and Dinwiddie Redevelopment (Bridging the Gap Development, Inc.): 23 PBV units and 144 Non-PBV units. Gap financing amount: \$2,000,000.
2019 PBV/Gap Financing RFP	<p>Highland-Stanton Apartments (action Housing Inc.): 23 PBV units. Gap financing amount: \$1,800,000.</p>
2020/2021 PBV/Gap Financing RFP (MTW Local Non-Traditional activity)	<p>The HACP plans to continue the PBV/Gap Financing program and issue Requests for Proposals in 2020/2021 to select development projects to utilize the HACP’s PBV/Gap Financing program. This program represents an opportunity to leverage the investment in affordable units by the HACP.</p>
Choice Neighborhoods Planning Grant	<p>Allegheny Dwellings public housing is part of a potential Choice Neighborhoods Planning Grant (CNPG) application that will be coordinated by Fineview Citizens Council, Allegheny Dwellings Tenant Council and TREK Development Group in partnership with the HACP. The application was submitted 09/14/2020. The purpose of the CNPG application is to develop a comprehensive redevelopment plan for Allegheny Dwellings and the surrounding neighborhood with HUD’s financial and technical support.</p>

Pursuit of Rental Assistance Demonstration (RAD) Conversions

In order to ensure the long-term viability of its existing affordable housing stock, the HACP is pursuing conversion of some public housing units to HUD contracts for multi-family housing rental assistance through the Rental Assistance Demonstration (RAD) Program. The HACP received approval for the following properties:

- Glen Hazel Family Community and Glen Hazel High Rise (Conversion in 2018)
- Oak Hill (Conversion in 2017)
- Manchester Redevelopment (March 2020)

The RAD financial closing occurred for Glen Hazel Family Community and Glen Hazel High Rise in 2018. Rehabilitation and relocation activities of Glen Hazel RAD will be completed in FY 2020. Oak Hill Phase I and Phase II-Wadsworth subphase were converted to HUD Project-based Rental Assistance (PBRA) through the RAD Program in FY 2017. Major Reconstruction of Obsolete Public Housing Projects (MROP) public housing buildings (originally built in 1941) in Oak Hill Phase I have been approved for demolition and replacement of the 80 MROP public housing units. Oak Hill's master developer will continue its efforts of securing development funds to complete the replacement of the MROP units. Manchester Redevelopment has been approved by HUD for RAD conversion in order to convert 86-unit public housing portfolio into PBV platform with housing rehabilitation. The HACP will consider RAD as a viable option for increasing housing options through new construction, conversion, or transfer of assistance to developments through partnerships or self-development activities. Various means to secure the affordability of RAD units including cooperative memoranda, agreements or restrictive covenants will be explored and very possibly implemented.

Long Term Development and Redevelopment Funding Projections

Below are charts showing projected funding obligations over the next five (5) years. Not included in the charts are funding and financing strategies, including those that use MTW funding flexibility and support and leverage MTW funds to support redevelopment of these properties. As funding opportunities and financing mechanisms change, and creative approaches are devised, the HACP will adapt and adopt the approaches that are most advantageous to the agency. These approaches include but are not limited to the following:

- Low-income Housing Tax Credits, Historic Tax Credits, and/or New Market Tax Credits.
- Federal, State, and Local Housing Trust Funds dollars as available.
- Other Federal, State, and Local funds such as CDBG, HOME, PA Department of Community and Economic Development Programs, and others as can be secured.
- HUD's new and evolving financing and transformation initiatives (if authorized), or other similar approaches.
- Project-Based Voucher: Project-basing Housing Choice Vouchers.
- Project Based Rental Assistance (HUD Multifamily).
- The HACP's Moving to Work *Step Up To Market Financing Program*.
- Gap Financing program, an MTW local non-traditional development sources approved by HUD.
- Choice Neighborhoods Planning and Implementation Grant Funds.
- All other opportunities and mechanisms that are available or can be identified that will assist the HACP in furthering its goals under MTW and under the LIPH and HCV programs.

Sources	Projected Sources	2021	2022	2023	2024	2025	5-Year SubTotals
	MtW Funding (HCV)	6,126,836	6,126,836	6,126,836	6,126,836	6,126,836	30,634,180
	CFP Projected Future Funding	11,138,465	10,000,000	10,000,000	10,000,000	10,000,000	51,138,465
	MtW Reserves	34,038,886	19,996,630	18,111,531	16,774,953	19,749,543	108,671,543
	Total All Projected Sources	51,304,187	36,123,466	34,238,367	32,901,789	35,876,379	190,444,188

Uses	Proposed Uses	2021	2022	2023	2024	2025	5-Year SubTotals
	Subtotal Development	22,125,440	17,000,000	12,000,000	12,000,000	18,000,000	81,125,440
	Subtotal Modernization	29,178,747	19,123,466	22,238,367	20,901,789	17,876,379	109,318,748
	Total All Proposed Uses	51,304,187	36,123,466	34,238,367	32,901,789	35,876,379	190,444,188

DEVELOPMENT	2021	2022	2023	2024	2025	5-Year
Project	Total	Total	Total	Total	Total	Subtotal
Larimer CN Phase 4	2,075,440	0	0	0	0	2,075,440
Larimer CN Phase 3	1,600,000	0	0	0	0	1,600,000
Larimer CN Phase 5 (SS)	250,000	0	0	0	0	250,000
Manchester Rehab+New Constr	200,000	0	0	0	0	200,000
Bedford Centre Ave Set-Aside	5,000,000	2,000,000	0	0	0	7,000,000
Acquisition Rehabilitation Construction	7,000,000	5,000,000	0	0	0	12,000,000
PBV/Gap Financing Program	6,000,000	7,000,000	0	0	0	13,000,000
Allegheny Dwellings Redevelopment	0	2,000,000	9,000,000	9,000,000	9,000,000	29,000,000
Bedford Dwellings Redevelopment	0	0	0	2,000,000	0	2,000,000
Arlington Heights Redevelopment	0	0	2,000,000	0	9,000,000	11,000,000
Infill For-Sale Rehab	0	1,000,000	1,000,000	1,000,000	0	3,000,000
Total	22,125,440	17,000,000	12,000,000	12,000,000	18,000,000	81,125,440

MODERNIZATION						
AMP: 1 Addison Terrace / Additions (201 KIRKPATRICK ST CENTRAL)	2021 Projected Obligations	2022 Projected Obligations	2023 Projected Obligations	2024 Projected Obligations	2025 Projected Obligations	5-Year Budget Total
Totals	0.00	0.00	151,257.56	0.00	2,214.50	153,472.06
AMP: 2 Bedford Dwellings	2021 Projected Obligations	2022 Projected Obligations	2023 Projected Obligations	2024 Projected Obligations	2025 Projected Obligations	5-Year Budget Total
Totals	940,983.56	500,000.00	500,000.00	0.00	0.00	1,940,983.56
AMP: 15 Pennsylvania Bidwell	2021 Projected Obligations	2022 Projected Obligations	2023 Projected Obligations	2024 Projected Obligations	2025 Projected Obligations	5-Year Budget Total
Totals	1,368,005.83	654,866.79	530,343.91	0.00	1,622,069.75	4,175,286.28
AMP: 17 Pressley St High Rise	2021 Projected Obligations	2022 Projected Obligations	2023 Projected Obligations	2024 Projected Obligations	2025 Projected Obligations	5-Year Budget Total
Totals	4,402,071.68	577,523.74	612,920.33	577,523.74	482,536.46	6,652,575.95
AMP: 9 Northview Heights (Family / Elderly)	2021 Projected Obligations	2022 Projected Obligations	2023 Projected Obligations	2024 Projected Obligations	2025 Projected Obligations	5-Year Budget Total
Totals	175,000.00	500,000.00	0.00	1,231,078.66	91,193.11	1,997,271.77
AMP: 20 Homewood North	2021 Projected Obligations	2022 Projected Obligations	2023 Projected Obligations	2024 Projected Obligations	2025 Projected Obligations	5-Year Budget Total
Totals	0.00	0.00	2,336,150.21	139,073.69	0.00	2,475,223.90
AMP: 4 Arlington Heights	2021 Projected Obligations	2022 Projected Obligations	2023 Projected Obligations	2024 Projected Obligations	2025 Projected Obligations	5-Year Budget Total
Totals	7,375,475.37	2,609,438.03	2,592,529.81	4,892,625.23	1,128,533.29	18,598,601.73
AMP: 22/39 Scattered Sites North/South [includes D.O.C. 1205 Liverpool St (Direct Opportunities Center] & former AMP-11 Hamilton Larimer	2021 Projected Obligations	2022 Projected Obligations	2023 Projected Obligations	2024 Projected Obligations	2025 Projected Obligations	5-Year Budget Total
Totals	0.00	0.00	1,233,528.00	530,735.31	1,575,011.11	3,339,274.42
AMP: 40 Mazza Pavillion	2021 Projected Obligations	2022 Projected Obligations	2023 Projected Obligations	2024 Projected Obligations	2025 Projected Obligations	5-Year Budget Total
Totals	10,000.00	0.00	0.00	77,396.26	17,437.90	104,834.16
AMP: 41 Caliguiri Plaza	2021 Projected Obligations	2022 Projected Obligations	2023 Projected Obligations	2024 Projected Obligations	2025 Projected Obligations	5-Year Budget Total
Totals	452,388.88	0.00	0.00	286,546.00	182,686.98	921,621.86
AMP: 44 Finello Pavillion	2021 Projected Obligations	2022 Projected Obligations	2023 Projected Obligations	2024 Projected Obligations	2025 Projected Obligations	5-Year Budget Total
Totals	19,338.08	0.00	0.00	469,912.00	14,520.00	503,770.08
AMP: 45 Morse Gardens	2021 Projected Obligations	2022 Projected Obligations	2023 Projected Obligations	2024 Projected Obligations	2025 Projected Obligations	5-Year Budget Total
Totals	0.00	0.00	0.00	1,117,967.15	141,174.89	1,259,142.04
AMP: 46 Carrick Regency	2021 Projected Obligations	2022 Projected Obligations	2023 Projected Obligations	2024 Projected Obligations	2025 Projected Obligations	5-Year Budget Total
Totals	0.00	0.00	0.00	208,369.00	966,736.37	1,175,105.37
AMP: 47 Gualtieri Manor	2021 Projected Obligations	2022 Projected Obligations	2023 Projected Obligations	2024 Projected Obligations	2025 Projected Obligations	5-Year Budget Total
Totals	0.00	0.00	0.00	48,925.00	122,527.77	171,452.77
AMP: 999 Authority Wide	2021 Projected Obligations	2022 Projected Obligations	2023 Projected Obligations	2024 Projected Obligations	2025 Projected Obligations	5-Year Budget Total
Totals	14,435,484.00	14,281,637.00	14,281,637.00	11,321,637.00	11,529,737.00	65,850,132.00
GRAND TOTAL All AMPs	\$ 29,178,747.40	\$ 19,123,465.56	\$ 22,238,366.82	\$ 20,901,789.04	\$ 17,876,379.13	\$ 109,318,747.95

Theme Two: Promoting Self-Sufficiency and Independent Living Through a Variety of Enhanced Services and Policy Adjustments.

The HACP is committed to continuing the pursuit of programs and policies that promote self-sufficiency and independent living. This is pursued and implemented through programs and policy modifications.

The HACP has several supportive service programs that support residents in attaining Self-Sufficiency. Included, but not limited to the: Family Self-Sufficiency Program (FSS), Resident Employment Program (REP), Resident Opportunity for Self-Sufficiency (ROSS), and Computer Programs. These programs and referrals for residents of the LIPH and the HCV programs are designed to assist them in preparing for, seeking, finding, and retaining employment as well as financial literacy and reentry. The program components and the HACP FSS and RSS Staff also work constantly to link with residents with other programs, leverage additional services, and create positive environments for families, adults, seniors, and children. The FSS, ROSS, REP and the Computer Programs are complemented by the other resident initiatives provided by the HACP and its partners that focus on youth of varying ages. These other initiatives include the BJWL after school and summer programs, YouthPlaces, the Clean Slate Drug Free Lifestyles, and the Creative Arts Corner which is a state-of-the-art audio/video studio at Northview Heights and the Bedford Hope Center. The HACP's investments in resident services have leveraged over \$4,000,000 per year in additional programs and services in recent years.

The Service Coordinators are retained through the HUD-funded FSS and ROSS Program Grants. There are also many other ancillary service providers that offer in-kind services to the HACP residents. Some of these providers include but are not limited to: the Community College of Allegheny County, the Health Professionals Opportunity Grant, the Department of Human Services (Mental Health, Drug and Alcohol, Victims Services, Homeownership and Eviction Prevention), the 412 Food Rescue, City Parks, the Ananias Mission, Grow Pittsburgh, Duquesne University, the Juvenile Reentry Assistance Program, "Y on the Fly", the Beverly Jewel Wall Lovelace Children's Program and YouthPlaces.

The HACP policy modifications are also designed to promote self-sufficiency, and the modified rent policy (as described in Section IV), is designed to encourage families to participate in the FSS program.

The broad intent of these initiatives is to create an environment where work is the norm and personal responsibility is expected, and the HACP will continue in FY 2021 to pursue additional policy adjustments toward this end. Such policy changes may include increasing the minimum rent for those able-bodied non-elderly residents who do not work or participate in the FSS program for over one (1) year; partnering with schools to create academic achievement support and/or incentive programs, or other mandatory school attendance programs for residents; or other creative initiatives still to be identified or developed. Any new initiatives will be included in the appropriate portions of Parts III or IV of this or future MTW Annual Plans.

Theme Three: Increasing housing choices for low-income families through initiatives designed to increase the quality and quantity of housing available to households utilizing rental assistance and other available resources.

As the city of Pittsburgh housing market has changed in recent years, the availability of affordable housing has declined. These market changes have affected both naturally occurring affordable units and those available to households utilizing HCVs. In response, the HACP initiated its initial landlord initiatives in an attempt to increase the number of landlords participating in the HCV program, and to increase the number and quality of units available. The HACP received approval in the FY 2019 MTW Annual Plan for an alternative payment standard to address the limited housing stock and increased rental costs.

During the on-going implementation of this initiative, the HACP seeks to increase housing choice and encourage voucher participants to expand their housing search, particularly in neighborhoods with low levels of poverty. Recognizing that using a single city-wide Voucher Payment Standard (VPS) stimulated voucher holders to reside in low-cost, high-poverty neighborhoods, the HACP devised a robust and comprehensive method for establishing Payment Standards and rent reasonableness determinations. The goals of this activity are to:

1. Expand housing choices by providing access to more neighborhoods;
2. Create additional units from previously sub-standard properties and improve the quality of existing units;
3. Decrease concentration of voucher usage in high poverty areas.

The HACP plans to continue further analysis of these market changes and will pursue additional initiatives targeted to increasing the number and quality of housing options for households utilizing tenant-based rental assistance.

II. GENERAL HOUSING AUTHORITY OPERATING INFORMATION

Housing Stock Information

(I) GENERAL OPERATING INFORMATION
<u>ANNUAL MTW PLAN</u>

A. HOUSING STOCK INFORMATION

i. Planned New Public Housing Units

New public housing units that the MTW PHA anticipates will be added during the Plan Year.

ASSET MANAGEMENT PROJECT (AMP) NAME AND NUMBER	BEDROOM SIZE						TOTAL UNITS	POPULATION TYPE*	# of Uniform Federal Accessibility Standards (UFAS) Units	
	0/1	2	3	4	5	6+			Fully Accessible	Adaptable
Scattered Sites North PA039	0	15	9	0	1	0	25	General	2	1

Total Public Housing Units to be Added in the Plan Year: 25

* Select "Population Type" from: General, Elderly, Disabled, Elderly/Disabled, Other If "Population Type" is "Other" please describe:

ii. Planned Public Housing Units to be Removed

General

Public housing units that the MTW PHA anticipates will be removed during the Plan Year

AMP NAME AND NUMBER	NUMBER OF UNITS TO BE REMOVED	EXPLANATION FOR REMOVAL
Scattered Sites PA039	29	Twenty-eight units represent a prior HUD approved demolition of 6 buildings at Hamilton-Larimer as part of Larimer/East Liberty Choice Neighborhoods Implementation Grant. Demolition work began in Fall 2020. One unit represents an obsolete single family home that HACP intends to pursue HUD demolition approval of in the plan year.
Oak Hill MROP PA066	80	HUD approved demolition of MROP public housing units as part of Oak Hill RAD conversion.

Total Public Housing Units to be Removed in the Plan Year: 109

iii. **Planned New Project Based Vouchers**

Tenant-based vouchers that the MTW PHA anticipates project-basing for the first time during the Plan Year. These include only those in which at least an Agreement to enter into a Housing Assistance Payment (AHAP) will be in place by the end of the Plan Year. Indicate whether the unit is included in the Rental Assistance Demonstration (RAD).

PROPERTY NAME	NUMBER OF VOUCHERS TO BE PROJECT-BASED	RAD?	DESCRIPTION OF PROJECT
Larimer Phase IV	18	No	CNIG replacement units
Northview Mid Rise	40	No	PBV units in mixed finance development
Bedford Redevelopment Phase I	30	No	First phase of lower Bedford Dwellings redevelopment (using PBV + Gap financing, rehabilitation, and/or new construction)
City's Edge	77	No	PBV + Gap financing
Lemington Senior Housing	54	No	PBV + Gap financing
New Granada Square	10	No	PBV + Gap Financing
North Negley	10	No	PBV + Gap financing
Manchester Redevelopment	86	Yes	RAD/PBV

Planned Total Vouchers to be Newly Project-Based: 325

iv. Planned Existing Project Based Vouchers

Tenant-based vouchers that the MTW PHA is currently project-basing in the Plan Year. These include only those in which at least an AHAP is already in place at the beginning of the Plan Year. Indicate whether the unit is included in RAD.

* Select “Planned Status at the End of Plan Year” from: Committed, Leased/Issued

PROPERTY NAME	NUMBER OF PROJECT-BASED VOUCHERS	PLANNED STATUS AT END OF PLAN YEAR*	RAD?	DESCRIPTION OF PROJECT
Skyline Terrace (Addison Phase I)	168	Leased	No	HAP Contract in place. First Phase of Addison Redevelopment
Lofts at Bentley (Addison Phase II)	64	Leased	No	HAP Contract in place. Phase II at Addison Terrace Redevelopment
Addison Phase III (Middle Hill)	37	Leased	No	HAP Contract in place. Third phase of Addison Terrace Redevelopment
Addison Phase IV (Kelly Hamilton Homes)	42	Leased	No	HAP Contract in place. Fourth and final phase of Addison Terrace Redevelopment
Allegheny Dwellings I (Sandstone Quarry)	47	Leased	No	HAP Contract in place. Phase I of Allegheny Dwellings Redevelopment
Allegheny Union Baptist Association	36	Leased	No	HAP Contract in place. Senior building.
Crawford Square	60	Leased	No	Part of multi-stage HAP Contract is in place. Currently undergoing modernization.
Dinwiddie III and IV	24	Leased	No	HAP Contract in place.
Doughboy	9	Leased	No	HAP Contract in place.
East Liberty Place South	6	Leased	No	HAP Contract in place.
Hillcrest Senior Apartments	16	Leased	No	HAP Contract in place.

Larimer Pointe	40	Leased	No	HAP Contract in place.
Larimer/East Liberty Phase I	28	Leased	No	HAP Contract in place.
Legacy Apartments (Senior)	18	Leased	No	HAP Contract in place. Senior building.
Mackey Lofts	11	Leased	No	HAP Contract in place. Building for hearing-impaired households.
Millers Street Apartments	9	Leased	No	HAP Contract in place.
Elmer Williams Square	37	Leased	No	PBV/Gap Financing. 2020 construction completion.
Milliones Manor (Senior)	39	Leased	No	HAP Contract in place. Senior building.
Wood Street Commons	65	Leased	No	HAP Contract in place. Single room occupancy (SRO) units located downtown.

Planned Total Existing Project-Based Vouchers:

756

v. Planned Other Changes to MTW Housing Stock Anticipated During the Plan Year

Examples of the types of other changes can include (but are not limited to): units held off-line due to relocation or substantial rehabilitation, local, non-traditional units to be acquired/developed, etc.

PLANNED OTHER CHANGES TO MTW HOUSING STOCK ANTICIPATED IN THE PLAN YEAR
Possible addition of scattered site units through acquisition and rehabilitation.
Potential disposition of vacant lots and select deteriorating scattered sites properties.
Potential demolition of vacant, obsolete 80 MROP public housing units in Oak Hill pursuant to HUD RAD demolition approval.
Planned demolition of Hamilton-Larimer public housing units pursuant to HUD-approved demolition under Choice Neighborhoods Implementation Grant program.
PBV/Gap Financing projects will continue to add local non-traditional units (PBV units funded by HACP/ARMDC's gap financing).
Potential Choice Neighborhoods Planning Grant Application and RAD-PBV application for Allegheny Dwellings public housing.
HACP plans to acquire real estate properties to develop dwelling units that can provide additional safe places for low income residents to stay in light of COVID-19 pandemic with CARES Act funds and operating subsidies.

- vi. General Description of All Planned Capital Expenditures During the Plan Year
 vii. Narrative general description of all planned capital expenditures of MTW funds during the Plan Year.

GENERAL DESCRIPTION OF ALL PLANNED CAPITAL EXPENDITURES DURING THE PLAN YEAR

The HACP plans a variety of capital improvements in its properties. Under MTW single fund flexibility, some will be funded by Capital Fund and some by other sources. Referenced herein are activities by development that are a continuation from prior years as well as new activities for the plan year. Additional information is included in Section V and appendices.

Continued Modernization Activities from prior year(s) by Development:

- Facility Services – Central Maintenance Renovations.
- Bedford Dwellings – Plumbing Improvements.
- Pennsylvania Bidwell High Rise – Overhead Doors Replacement, Trash Compactor Replacement.
- Pressley Street High Rise – Community Room and Corridor Improvements, Roof Replacement, Windows Replacement, Louvers and Plastic Panels Replacement, Exterior Doors/Overhead Doors Replacement, Trash Compactor Replacement, Administrative Offices Floor Finish Replacement, Energy Conservation Measure Vending Machines Energy Savers.
- Northview Heights – Comprehensive Modernization, Exterior Doors Replacement, New Solid Waste Transfer Station.
- Homewood North – Sprinkler Systems Improvements, Windows Replacement, Interior Stair/Ramp/Rails Replacement, UFAS Door Threshold Modifications, Roof Replacements, Interior and Exterior Lighting Improvements.
- Arlington Heights – General Improvements, Comprehensive Modernization, Exterior Doors Replacement, Maintenance Building Roof Replacement, Commercial Space and Exterior Lighting Improvements.

- Scattered Sites North/South – Partial Comprehensive Modernization, Waterproofing and Foundation Repair. Direct Opportunities Center Roof Replacement, Floor Replacement, Energy Conservation Measures Vending Machines Energy Savers and Low Flow Faucet Aerators Installation, Fire Alarm Control Panel Replacement, Acoustical Ceiling Tile Replacement. Hamilton Larimer Demolition.
- Murray Towers – Comprehensive Modernization.
- Finello Pavilion – UFAS Unit Bathroom Drain Replacement and Floor Regrade and Replacement, Trash Compactor Replacement, Windows Replacement.
- Carrick Regency – Windows Replacement.
- Gualtieri Manor – Heating and Cooling Lines Improvements, Unit Noise Reduction Improvements (select location), Trash Compactor Replacement, Partial Comprehensive Modernization, Energy Conservation Measures.
- Fairmont Apartments – Hillside Restoration.
- Garfield Heights – Playground Improvements.
- Authority Wide – Utility Infrastructure Systems Engineering Services, Architectural and Engineering Services.
- Office Building(s) – Central Office Facility Related Services and Build Out, Environmental Services, Construction Management Services, Hazardous Materials Work, Exterior Site Work Improvements, Green Physical Needs Assessment/Integrated Energy Audit Services, Interim REAC/Safety Repairs, Façade Improvements, Mechanical Improvements.

New Modernization Activities by Development:

- Facilities Services – Security Camera System Replacement.
- Bedford Dwellings – Exterior Lighting Improvements, Exterior Door Replacement, Gateway Signage Replacement.
- Pennsylvania Bidwell High Rise – Energy Conservation Measure Vending Machines Energy Savers, Exterior Lighting Improvements, Fire Alarm Control Panel Replacement, Elevator Cab Floor Finish Replacement, Community Room Renovation, Administrative Offices Floor Finish Replacement, Apartment Floor Finishes Replacement (select locations).
- Pressley Street High Rise – Administrative/Other Spaces Renovation, Automatic Door Opener Replacement.
- Allegheny Dwellings – Windows Replacement.
- Northview Heights – Roof Replacement and Gutter Repair (select locations), Playground Improvements.
- Homewood North – Privacy Fencing Replacement, Playground Improvements, Water seepage and Site Drainage Improvements.
- Arlington Heights – Roof Replacements, Attic Spaces Insulation Upgrades, Common Area Stairwell Improvements, Apartment Walls and Ceilings Refinishing, Interior Lighting Improvements, Plumbing Improvements, Fire Alarm Control Panel Replacement, Playground Relocation, Commercial Space Improvements.
- Scattered Sites North/South – Demolition.
- Mazza Pavilion – Spandrel Window Replacement.
- Caliguri Plaza – Elevator Repair, Plumbing Improvements, Boiler Room Electrical System Panel Repair.
- Finello Pavilion – Flooring Finishes Replacement (lobbies all floors), Kitchen Cabinets Replacement (select locations), Community Room Renovation.
- Morse Gardens – Flooring Finishes Replacement and Painting at Common Areas and Hallways.
- Carrick Regency – Flooring Finishes Replacement at Common Areas (all floors).
- Manchester – Waterproofing (select locations), Roof Replacements (select locations).
- Authority Wide – Utility Infrastructure Systems Engineering Services, Architectural and Engineering Services.
- Office Building – Central Office Facility Related Services and Build Out, Environmental Services, Construction Management Services, Hazardous Materials Work, Exterior Site Work Improvements, Green Physical Needs Assessment/Integrated Energy Audit Services, Interim REAC/Safety Repairs, Façade Improvements, Mechanical Improvements.

B. LEASING INFORMATION

i. Planned Number of Households Served

Snapshot and unit month information on the number of households the MTW PHA plans to serve at the end of the FY 2021 Annual Plan Year.

PLANNED NUMBER OF HOUSEHOLDS SERVED THROUGH:	PLANNED NUMBER OF UNIT MONTHS OCCUPIED/LEASED*	PLANNED NUMBER OF HOUSEHOLDS TO BE SERVED**
MTW Public Housing Units Leased	30,552	2,546
MTW Housing Choice Vouchers (HCV) Utilized	71,496	5,958
Local, Non-Traditional: Tenant-Based^	N/A	N/A
Local, Non-Traditional: Property-Based^	5,832	486
Local, Non-Traditional: Homeownership^	2,172	181

Planned Total Households Served: **110,052** **9,339**

* “Planned Number of Unit Months Occupied/Leased” is the total number of months the MTW PHA plans to have leased/occupied in each category throughout the full Plan Year.

** “Planned Number of Households to be Served” is calculated by dividing the “Planned Number of Unit Months Occupied/Leased” by the number of months in the Plan Year.

^ In instances when a local, non-traditional program provides a certain subsidy level but does not specify a number of units/households to be served, the MTW PHA should estimate the number of households to be served.

LOCAL, NON-TRADITIONAL CATEGORY	* MTW ACTIVITY NAME/NUMBER	PLANNED NUMBER OF UNIT MONTHS OCCUPIED/LEASED	**PLANNED NUMBER OF HOUSEHOLDS TO BE SERVED
Tenant-Based	N/A	N/A	N/A
Property-Based	Step up to Market Financing MTW (Activity 9)	5,832	486
Homeownership	Homeownership Program: Operation of Combined LIPH and Section 8/HCV Homeownership Program; Program assistance to include soft-second MTW (Activity 7)	2,172	181

* Refer to MTW Section IV for further information on the cited MTW Activities

**The sum of the figures provided should match the totals provided for each local, non- traditional category in the previous table. Figures should be given by individual activity. Multiple entries may be made for each category if applicable.

ii. Discussion of Any Anticipated Issues/Possible Solutions Related to Leasing
Discussions of any anticipated issues and solutions in the MTW housing programs listed.

HOUSING PROGRAM	DESCRIPTION OF ANTICIPATED LEASING ISSUES AND POSSIBLE SOLUTIONS
MTW Public Housing	<p>The occupancy rate for the Housing Authority of the City of Pittsburgh, (HACP) diminished in part as a result of the maintenance staff not being able to address any issues outside of emergency work orders for a period of three (3) months in FY 2020 during the initial onset of the COVID-19 pandemic. In addition to the issues caused by COVID-19, the HACP has several planned projects that will require relocation of HACP residents, and the planned vacancies are to accommodate the relocation specific projects.</p> <p>The HACP has implemented a comprehensive leasing plan that includes; leasing 36 vacant units each month, reduce move-outs by instilling community pride in the resident body, enhancement of curb appeal and increased security initiatives. It is anticipated the leasing plan will “net” a minimum of 120 leased-up units by June 2021. Many of the remaining vacant units are being utilized for relocation, based on the scheduled rehab of units within targeted sites. With the units that are scheduled for rehab, the HACP plans to temporarily relocate residents within the community while rehabilitation of the units is taking place.</p>
MTW Housing Choice Voucher	<p>Challenges are expected as rents continue to rise particularly in emerging neighborhoods once affordable under current FMR. Older housing in Pittsburgh continues to fail HQS inspections and there is a scarcity of landlords. The HACP plans to increase lease up through new landlord incentives and the approved alternative payment standard.</p>
Local, Non-Traditional	<p>Small community-based developers are not familiar with HUD and the HACP rules and regulations for the PBV/Gap Financing program. The HACP has created PBV/Gap Financing Program & Underwriting Guidelines and will continue to update the Guidelines as needed. The HACP will continue to share these guidelines with developers so that they are in a position to submit appropriate proposals.</p>

C. WAITING LIST INFORMATION

i. Waiting List Information Anticipated
Snapshot information of waiting list data as anticipated at the beginning of the Plan Year. The “Description” column should detail the structure of the waiting list and the population(s) served.

WAITING LIST NAME	DESCRIPTION	NUMBER OF HOUSEHOLDS ON WAITING LIST	WAITING LIST OPEN, PARTIALLY OPEN OR CLOSED	PLANS TO OPEN THE WAITING LIST DURING THE PLAN YEAR
Public Housing	Site Based	4,725	Partially Open	Yes
Housing Choice Voucher	Tenant Based Vouchers	7,825	Closed	No
Homeownership	N/A	N/A	N/A	N/A
Project Based Vouchers	Site Based	7,657	Partially Open	Yes

Please describe any duplication of applicants across waiting lists: 0

There may be duplications between the Public Housing and Housing Choice Voucher program lists. The Project-Based Voucher: Wait list may have duplicates across lists. Properties are also privately managed and wait-lists open and close based upon demand. The Homeownership program: No Wait-list has been established for this program. Program participation is open to otherwise eligible families; if demand for soft second mortgage assistance approaches budget limit a waiting list of participants with mortgage pre-approval letters will be established.

ii. Planned Changes to Waiting List in the Plan Year

Please describe any anticipated changes to the organizational structure or policies of the waiting list(s), including any opening or closing of a waiting list, during the Plan Year.

WAITING LIST NAME	DESCRIPTION OF PLANNED CHANGES TO WAITING LIST
Public Housing	All lists remain open except Non UFAS high-rise one-bedroom units; and non UFAS one-bedroom units in the family communities.
Housing Choice Voucher	Wait-list is expected to reopen in FY 2020 or FY 2021. New PBV site-based wait lists may open in FY 2020 or FY 2021 and the existing PBV site-based wait lists may reopen in FY 2020 or FY 2021.

III. PROPOSED MOVING TO WORK ACTIVITIES

A. HUD Approval Requested (New Activities)

Proposed New Activity Summary:

In pursuit of the HACP organizational goals, the Agency will continue the Moving To Work (MTW) activities initiated in prior years and is not proposing any new activities for FY 2021.

IV. APPROVED MTW ACTIVITIES: HUD APPROVAL PREVIOUSLY GRANTED

Activity	Plan Year Approved	Plan Year Implemented	Current Status
1. Pre-Approval Inspection Certification	2015 Annual Plan 2019 Annual Plan	2015	Implemented Modified
2. Preferred Owners Program	2015 Annual Plan	2015	Implemented
3. Modified Rent Policy - Work or FSS Requirement or increased minimum tenant payment for non-exempt HCV households	2011 Annual Plan	2011	Implemented
4. Modified Rent Policy - Work or FSS Requirement or increased minimum rent for non-exempt LIPH households	2008 Annual Plan	2008-2009	Implemented
5. HCV Revised Recertification Policy – At least once every other year	2008 Annual Plan	2008	Implemented
5. LIPH Revised Recertification Policy – At least once every other year	2009 Annual Plan	2009	Implemented
6. Homeownership Program: Operation of Combined LIPH and Section 8/HCV Homeownership Program; Program assistance to include soft-second mortgage assistance coupled with closing cost assistance, homeownership and credit counseling, and foreclosure prevention. To establish a soft- second mortgage waiting list; expand eligibility to persons on the LIPH and HCV program waiting lists; expand eligibility to persons eligible for LIPH	Combined Program approved in 2007	2007	Updated
	Other elements approved in 2010	2010	Updated
	Expansion of eligibility to person eligible for LIPH in 2014	2014	Updated

7. Modified Housing Choice Voucher Program policy on maximum percent of Adjusted Monthly Income permitted.	2001 Annual Plan	2001	Implemented
8. Modified Payment Standard Approval - Establish Exception Payment Standards up to 120% of FMR without prior HUD approval.	2004 Annual Plan Additional features in 2013 Annual Plan	2004 2013	Implemented Updated for persons with disabilities; for exception areas.
9. Step Up To Market Financing Program <i>[Use of Block Grant Funding Authority for Development, Redevelopment, and Modernization to include Local Non-Traditional Development i.e., Project-Based Vouchers and Gap Financing]</i>	2012 Annual Plan Additional features in technical amendment to 2017 Annual Plan	2013 2017	In implementation Ongoing
10. Local Payment Standard-Housing Choice Voucher Program	2019 Annual Plan	2019	In implementation Ongoing

A. Implemented Activities-Ongoing

1. Pre-Approval Inspection Certification

Description

The Pre-Approval Inspection Certification initially applied to buildings with four (4) or more units located within a single structure and the pre-approval process could not be applied to scattered-site housing. However as stated below, modifications were approved by HUD in FY 2019. All units seeking Pre-Approval Inspection Certification must be vacant at the time the HQS inspection occurs and must remain vacant until a Request for Tenancy Approval is submitted for the unit. Pre-Approval Inspection Certification status will only be accepted for tenancy approvals during the 60-day period after the unit passes HQS inspection. If a Request for Tenancy Approval is submitted after the 60-day qualifying period, a new initial HQS inspection must be performed before the unit is approved for tenancy. HAP payments are not tied to the Pre-Approval Inspection. The HAP payments will begin from the tenancy certification date only. This activity was approved and implemented in 2015. The HACP proposed the following modifications to this activity which were HUD approved with the FY 2019 MTW Annual Plan in June 2019.

Landlord Activities, Support and Incentives: Available to all participating landlords

The HACP is aware that the price of the unit is not the only means to attract landlords to the program but can serve as a mechanism to incentivize landlords who typically would not participate in the HCV program. While the HACP has two (2) HUD-approved landlord related activities in the current MTW Plan, additional support and incentive modifications for landlords were added during the FY 2019 fiscal year. The incentives available to any participating landlord include:

- I. Pre-Inspections: Landlords will be able to schedule inspections prior to finding a HCV participant. This process will allow for new landlords to determine if a potential unit is viable under the Housing Quality Standards (HQS) as well as decreasing the lead time between initial submission of the Request for Tenancy Approval (RFTA) and lease up.
 - i. If the unit fails the inspection, the landlord is made aware of the deficiency and can move forward with the necessary repairs. The landlord would still need to achieve a passing score to move forward in the process.
 - ii. If the unit passes the inspection, then the unit is deemed satisfactory for 90 days and any Request for Tenancy Approval (RFTA) submitted in that time frame can move forward in the leasing processes without an additional inspection. If a RFTA is not submitted within the 90-day period, the unit and the passing score becomes void and a new inspection will be required prior to the HACP approval.

The landlord incentives previously offered in this activity were only available to landlords who meet the criteria for multi-unit inspections. The incentives associated with the approved payment standard are available to *any* landlord that is approved for the corresponding payment standard.

- a) Landlord Education: After conducting interviews and surveying current landlords it was apparent there was a disconnect between the HACP and landlords. The HACP is implementing the following items to further incentivize landlords:
 - i. Create and attend community outreach events to inform and recruit new landlords
 - ii. The HACP is conducting monthly landlord workshops to educate new and current landlords about the program
 - iii. Landlords have access to a web-based platform via the HACP website that will provide up to date information about their properties such as inspection dates and the status of outstanding contracts.
- II. The Pre-Approval inspection will be applicable to any unit within HACP's jurisdiction without the requirement of being located within a structure containing four or more units.
- III. Pre-Approval Inspection Certification status will only be accepted for tenancy approvals during the 90-day period after the unit passes HQS inspection. If a Request for Tenancy Approval (RFTA) is submitted after the 90-day qualifying period, a new initial HQS inspection must be performed before the unit is approved for tenancy.

Changes and Modifications:

No changes to this activity during this fiscal year.

Authorization

Attachment C (D)(5)

Attachment C(D)(1)(d)

Regulatory Citation

24 CFR 982.311.

24 CFR982 Subpart I

2. Preferred Owners Program

Description

The Preferred Owners Program provides incentives to landlords to participate in the HCV Program and to provide quality housing units in a variety of neighborhoods. Participating landlords must consistently pass Housing Quality Standards (HQS) inspections and participate in annual training. In return, they will receive priority placement of their listings on the HACP apartment listings website and can be eligible for the following:

(a) Changes in inspection schedule:

- i. Priority inspection scheduling- Preferred Owners will be moved to the top of the waiting list for annual and initial inspections.
- ii. Biennial inspections- Owners who have passed annual inspection on the first inspection for the past three consecutive years will be moved to biennial inspections. If a future inspection results in a fail, the owner will be removed from the Preferred Owners Program and will return to an annual inspection schedule.
- iii. Pursuant to COVID-19, the Housing Authority of the City of Pittsburgh opted to take advantage of HUD Waiver authorizing biennial inspections for all landlords through the expiration of the HUD Waiver regarding biennial inspections. The stated waiver will not be used after the HUD Waiver period expires.
- iv. Acceptance of prior inspections for new tenancies if an annual or initial inspection was conducted less than 60 days ago for vacated units- If, after initial inspection and move-in, a unit is vacated for any reason and a new RFTA is returned for a new voucher holder in the same unit within 60 days, the previous inspection will be accepted as the initial inspection for the new RFTA.
- v. Construction completion inspection to be accepted as initial inspection for project-based voucher units for 60 days- When PBV owners or property managers are Preferred Owners, the construction completion inspection on a new PBV unit can be used as the initial inspection if the unit is occupied within 60 days if that inspection.

(b) Vacancy Payments

When a voucher holder moves out, if the landlord releases the unit to another voucher holder, the HACP will issue vacancy payment of two months of the previous tenant's HAP as a HAP Adjustment Vacancy Payment. The impact of this initiative is to encourage landlords to work with the HACP and the HCV program long-term, preserving housing for families at or below 50% AMI.

The landlord incentives in this activity are only available to landlords who meet the criteria of the HACP preferred owners' program. The incentives associated with the proposed payment standard are available to *any* landlord that is approved for the corresponding payment standard.

Application for Membership

In order to gain membership to the Preferred Owners Program, an owner or property manager must apply by submitting a form to the HCV office. This form will include:

1. Landlord's name;
2. Contact information;

3. Addresses of units currently leased to voucher holders;
4. Checklist of the standards for membership which must be passed by the landlord, which are:

a. Consistent HQS Inspection Passes

Units have passed annual inspection on the first inspection for the past four consecutive years.

b. Trainings

Preferred Owners must complete a minimum of one (1) training per year to maintain membership. All trainings will be provided free of charge to all landlords; however, to maintain membership in the Preferred Owners Program, owners or property managers must complete a minimum of one (1) training per year. Trainings may be chosen from the following options:

1. Screening Tenants- Includes information about background checks, references, and Fair Housing law.
2. The Magistrate Process- Includes information about legal recourse landlords may take if they feel their tenant has broken his or her lease.
3. Mental Health First Aid Training- This training is provided by Mercy Behavioral Health.
4. Real Estate continuing education credits may also be counted as Preferred Owners trainings, when proof of completion is provided.

This activity was approved and implemented in FY 2015.

Changes and Modifications

No changes to this activity during this fiscal year.

Authorization

Attachment C (D)(5)

Regulatory Citation

24 CFR 982.311

COVID WAIVERS: HQS-5 Period of availability: 12/31/2020

3. Modified Rent Policy with Work/FSS Requirement for Section 8/Housing Choice Voucher Program

Description

Requires that any non-elderly, able-bodied head of household who is not working to either: a) participate in a self-sufficiency program, including but not limited to the HACP FSS program, other Local Self-Sufficiency program (LSS), welfare to work, or other employment preparation and/or training/educational program or b) pay a minimum tenant payment of \$150.00 per month. This policy provides additional incentives for families to work or prepare for work and increases overall accountability.

This activity was approved and implemented in FY 2011.

Changes and Modifications

No changes to this activity during this fiscal year.

Authorization

Section D. 2. a. of Attachment C

Section D. 1. of Attachment D

Regulatory Citation

24 CFR 982.311.

4. Modified Rent Policy with Work/FSS Requirement for the Public Housing Program

Description

Requires that any non-elderly, able-bodied head of household who is not working to either participate in the FSS Program or pay a minimum rent of \$150.00 per month. Hardship exemptions are permitted. This policy provides additional incentives for families to work or prepare for work. The HACP's objectives for this program include increased participation in the FSS Program, increased rent collections, and increased level of families working.

This activity was approved and implemented in FY 2008.

Changes and Modifications

No changes to this activity during this fiscal year.

Authorization

Section C. 11. of Attachment C

Section C. 3 of Attachment D

5. Revised Recertification Requirements Policy

Description

The HACP may operate both the LIPH and the HCV Programs with a recertification requirement modified to at least once every two (2) years. Changes in income still must be reported, and standard income disregards continue to apply. This policy change reduces administrative burdens on the Authority, thereby reducing costs and increasing efficiency. The HACP's objectives for this initiative are reduced staff time and thus reduced costs, and improved compliance with recertification requirements by tenants and the HACP.

This activity was approved and implemented in FY 2008 and FY 2009 for the LIPH and HCV programs, respectively.

Changes and Modifications

No changes to this activity during this fiscal year.

Authorization

Section C. 4. of Attachment C (for public housing)

Section D.1. C. of Attachment C (for Housing Choice Voucher Program).

6. MTW Homeownership Program

a) Operation of a Combined Public Housing and Housing Choice Voucher Homeownership Program

Description

The HACP operates a single Homeownership Program open to both the LIPH and HCV Programs households. This approach reduces administrative costs, expands housing choices for participating households, and provides incentives for families to pursue employment and self-sufficiency through the various benefits offered. By combining the programs, increased benefits are available to some families.

This activity was approved and implemented in FY 2007.

Changes and Modifications

No changes to this activity during this fiscal year.

Authorization

Section B. 1. and D. 8. of Attachment C

Section B. 4. of Attachment D

-
- b) **Homeownership Assistance to include soft-second mortgage assistance coupled with closing cost assistance, homeownership and credit counseling, foreclosure prevention only; expanded eligibility to persons on the LIPH and HCV program waiting list and persons eligible; and establish a Homeownership Soft-Second mortgage waiting list.**

Description

Initially approved in FY 2010, the following provisions of the HACP homeownership program are as follows for FY 2021:

- i. Provide soft-second mortgage financing for home purchases to eligible participants, calculated as follows: eligible monthly rental assistance x 12 months x 10 years, but in no case shall exceed \$52,000. The second mortgage is forgiven on a prorated basis over a ten-year period.
- ii. Expand Homeownership Program eligibility to include persons on the HACP's LIPH and HCV waiting lists who have received a letter of eligibility for those programs from the HACP or persons otherwise eligible but currently not on a wait list.
- iii. Establish a Homeownership Waiting List to assist in determining the order of eligibility for second mortgage Homeownership benefits.

This activity was initially approved and implemented in FY 2010 and revised in FY 2017.

Changes and Modifications

No changes to this activity during this fiscal year.

Authorization

Section B. 1. and D. 8 of Attachment C

Section B. 4. of Attachment D

7. Modified Housing Choice Voucher Program policy on maximum percent of Adjusted Monthly Income permitted

Description

The HACP's operation of the HCV Program allows flexibility in the permitted rent burden (affordability) for new tenancies. Specifically, the limit of 40% of Adjusted Monthly Income allowed for the tenant portion of rent is used as a guideline, not a requirement. The HACP continues to counsel families on the dangers of becoming overly rent burdened, however, a higher rent burden may be acceptable in some cases. This policy increases housing choice for participating families by giving them the option to take on additional rent burden for units in more costly neighborhoods.

This activity was initially approved and implemented in FY 2001.

Changes and Modifications

No changes to this activity during this fiscal year.

Authorization

Section D. 2. C. of Attachment C.

Section D. 1. B. of Attachment D.

8. Modified Payment Standard Approval

Description

The HACP is authorized to establish Exception Payment Standards up to 120% of FMR (Fair Market Rent) without prior HUD approval. The HACP has utilized this authority to establish an Exception Payment Standard at 120% of FMR as a Reasonable Accommodation for a person with disabilities. The HACP has not utilized its authority to establish Exception Payment Standard Areas since FY 2007. Allowing the Authority to conduct its own analysis and establish Exception Payment Standards reduces administrative burdens on both the HACP and HUD (as no HUD submission and approval is required) while expanding housing choices for participating families.

In FY 2013, the HACP received approval for a modification to this activity allowing the HACP to establish an Exception Payment Standard of up to 120% of FMR for fully Accessible Units meeting the Requirements of the Uniform Federal Accessibility Standard (UFAS). This Exception Payment Standard can be used by tenants who require the features of a UFAS unit and locate such a unit on the open market; and may also be used by the HACP in the Project-Based Voucher Program or other rehabilitation or new construction initiatives that create additional fully accessible UFAS units.

This activity was initially approved and implemented in FY 2004 and revised in FY 2013. As of August 2020, fifty- six (56) Project-Based Vouchers (PBVs) use the exception payment standard that was approved in FY 2013.

Changes and Modifications

No changes to this activity during this fiscal year.

Authorization

Attachment C. Section D. 2. a.

9. Step Up to Market Financing Program - Use of Block Grant Funding Authority for Development, Redevelopment, and Modernization

Description

The HACP will expand its use of the Block Grant authority authorized in the MTW Agreement to leverage debt to fund public housing redevelopment and modernization and affordable housing development and preservation. The goal is to address additional distressed properties in the HACP's housing stock prior to the end of the current MTW agreement expiring in FY 2028 and increase the variety and quality of available affordable housing in the City of Pittsburgh. Specifically, the HACP will identify properties for participation in the Step Up To Market Program and subsequent other local, non-traditional development, redevelopment, and modernization strategies to include, Gap Financing and Project-Based Vouchers. The HACP will utilize one (1) or more of the referenced strategies, subject to any required HUD approvals, to achieve its development, modernization and redevelopment goals. This broad list of authorities, including but not limited to, the following, have been generally approved but must be specifically identified for each planned project in future submissions:

- i. Project-basing HACP units without competitive process.
- ii. Determining a percentage of units that may be project-based at a development up to 100% of units and permitting the initiation of site work prior to execution of the Agreement to Enter Into a Housing Assistance Payments contract (AHAP).
- iii. Project basing units at levels not to exceed 150% of the FMR as needed to ensure viability of identified redevelopment projects. Actual subsidy levels will be determined on a property-by-property basis and will be subject to a rent reasonableness evaluation for the selected site, and a subsidy layering review by HUD. When units are HACP-owned, the rent reasonableness evaluation will be conducted by an independent third party.
- iv. Extending eligibility for project-based units to families with incomes up to 80% of AMI.
- v. Establishing criteria for expending funds for physical improvements on PBV units that differ from the requirements currently mandated in the 1937 Act and implementing regulations. Any such alternate criteria will be included in an MTW Plan or Amendment submission for approval prior to implementation.
- vi. Establishing income targeting goals for the project-based voucher program, and/or for specific project-based voucher developments, that have a goal of promoting a broad range of incomes in project based developments.
- vii. Other actions as determined to be necessary to fund development and/or modernization subject to any required HUD approvals, including, but not limited to, combining financial investments permitted under Section 9 of the Act with PBV Assistance permitted under Section 8 of the act, as identified in this section. The HACP will follow HUD protocol and submit mixed- finance development proposals to HUD for review and approval.
- viii. Acquisition of property without prior HUD approval as needed to take advantage of opportunities as they arise, with specific focus on parcels needed for site assembly for redevelopment and development projects. The HACP will ensure that all HUD site acquisition requirements are met.

Specific Strategies and Properties:

The HACP and its partners have identified the following strategies that will leverage Low-income Housing Tax Credits (LIHTC) and capital contributions by the HACP in order to complete the financing necessary for:

- Larimer/ East Liberty Redevelopment Phase III and IV
 - Bedford Dwellings Redevelopment Phase I
 - Oak Hill Phase II
 - Manchester Revitalization
 - Scattered Site preservation or conversion project
 - Northview Heights High-Rise Replacement
 - Projects identified through the Project-Based Voucher Plus Gap Financing competitive selection process
1. Project basing the HACP units without competitive process (As authorized under Attachment C. Section B. Part 1. b. vi. and Part 1. c.; Attachment C. Section D. 7. a.. authorizing the HACP “to project-base Section 8 assistance at properties owned directly or indirectly by the agency that are not public housing, subject to HUD’s requirement regarding subsidy layering.”).
 2. Determining a percentage of units that may be project based at a development, up to 100% of units and permitting the initiation of site work prior to execution of the Agreement to Enter into a Housing Assistance Payments contract (AHAP). (As authorized under Attachment C. Section B. Part 1. b. vi. (authorizing the provision of HCV assistance or project-based assistance alone or in conjunction with other private or public sources of assistance) and vii. (authorizing the use of MTW funds for the development of new units for people of low- income); and Part 1. c. (authorizing these activities to be carried out by the Agency, of by an entity, agent, instrumentality of the agency or a partnership, grantee, contractor or other appropriate party or entity); Attachment C. Section D. 7. c. (authorizing the agency to adopt a reasonable policy for project basing Section 8 assistance) and Attachment D. Section D. 1.c. (authorizing the HACP to determine property eligibility criteria).
 3. Extending Eligibility for project-based units to families with incomes up to 80% of AMI. (As authorized under Attachment C. Section B. Part 1. b. vi. and Part 1. c.; Attachment C. Section D. 7. (authorizing the agency to establish a project-based voucher program) and Attachment D. Section D. 1. a. (authorizing the agency to determine reasonable contract rents.).
 4. Acquisition of property without prior HUD approval in order to complete site assembly for these projects. As authorized under Attachment C. Section C. 13. (authorizing the acquisition of sites without prior HUD approval). Site work for acquired properties will begin upon completion of environmental review and/or any required development approvals when necessary.

5. Combining PBV Commitments with (LIHTC) and/or HACP Capital Investments and/or other financial resources to support the development, rehabilitation, or preservation of affordable housing units, as authorized under Attachment C., Section B. 1. b. (authorizing the use of MTW funds for any eligible activity under Section 9(d)(1), 9€(1) and Section 8(0) of the 1937 Act), and Attachment D. Section B. 1. (authorizing the acquisition, new construction, reconstruction or moderate or substantial rehabilitation of housing which may include financing and other related activities.)

The HACP will submit a full development proposal, including Rental Term Sheet, Pro Formas, Sources and Uses, schedules, and other detailed project information or local Non-traditional activity proposals as required based on each project's financing to HUD's Office of Public Housing Investments or other HUD office as directed for approval as part of the mixed finance approval process as per HUD's protocol, and will ensure completion of a subsidy layering review as required.

Local Non-Traditional Development: Development, rehabilitation, and/or preservation through Project Based Vouchers plus Gap financing

In response to the growing demand for affordable housing, the HACP developed the PBV plus Gap financing tool. Using this financing tool, the HACP, through its instrumentality ARMDC, can provide gap funding (soft or hard debts) attached to PBV units. Funds are awarded through a competitive request for proposal process among developers/owners committed to the creation of additional affordable units within the city. In FY 2021, the HACP will continue to work with previous year's PBV/Gap Financing awardees and will issue Request for Proposals (RFPs) subject to budget availability. This initiative combines authorizations permitted under Section 8 PBV and Section 9 (capital investments). The investment will spur the development, rehabilitation, or preservation of high-quality affordable housing units by leveraging a spectrum of public and private investments. This approach maximizes the impact of existing available resources, incentivizes leveraging of other public and private financial resources, and supports the completion of projects at a lower cost to the HACP than is possible through other mixed-finance strategies employed by the HACP/ARMDC's co-developers or ARMDC's self-development team. Collaborating with various development teams and project owners, the PBV/Gap Financing program will support more housing choices throughout the city.

With the submittal of the FY 2019 MTW Annual Plan, the HACP made one non-significant change to this section, adding the specific provision "permitting the initiation of site work prior to Execution of the Agreement to Enter Into a Housing Assistance Payments contract (AHAP)." into the description of this initiative, and into the specific authorizations section, in conjunction with the authorization to project base up to 100% of the units in a development. This change assisted with streamlining the processes and expediting completion of replacement developments.

Changes and Modifications

No changes to this activity during this fiscal year.

10. Local Payment Standard-Housing Choice Voucher Program

Description

The HCV program is financed by HUD to provide rent subsidies in the form of Housing Assistance Payments (HAP) to private Landlords on behalf of extremely low and very low-income individuals/families, senior citizens, and persons with disabilities. The role of HCV landlords is to provide decent, safe, and sanitary housing to a tenant at a reasonable rent. The unit must pass the program's housing quality standards and be maintained up to those standards as long as the owner receives housing assistance payments.

Typically, a Public Housing Agency sets the Voucher Payment Standards (VPS) based on the Fair Market Rents (FMR), which are established at least annually by the U.S. Department of Housing and Urban Development (HUD). The VPS is the maximum subsidy (payment) the Housing Authority can provide toward the contract rent (rent plus utility allowance for utilities, stove or refrigerator paid or provided by the tenant). If the contract rent (rent plus utility allowance) is more than the VPS, the family must make up the difference out of its own pocket which can limit the housing options available to low-income families.

The City of Pittsburgh is comprised of 90 different neighborhoods, many of which are less than a single square mile. The diversity of the HACP's jurisdiction results in real estate markets that vastly differ between and within zip codes and even among census tracts. For example, one zip code may contain three to four neighborhoods each with varying markets that can change as Pittsburgh continues to become a hub for technology, education and health care. Pittsburgh's unique topography and emerging job sector requires a rent schedule that provides flexibility regardless of location as well as targeting of specific neighborhoods that have historically been unattainable for low-income families. Additionally, the HACP found that the current payment standard perpetuates racial minority concentration as voucher holders were limited to low-income neighborhoods with similar racial demographics.¹ According to the American Community Survey most of Pittsburgh's minority populations are concentrated in several regions within the city or in specific neighborhoods. These areas also correlate with high concentrations of voucher participants and high concentrations of poverty. Utilizing research from the University of Pittsburgh, the HACP identified that average rents in the City were actually higher than the HUD FMRs and Small Area Fair Market Rents (SAFMRs) thus preventing access to high opportunity neighborhoods.

The HACP seeks to increase housing choice and encourage voucher participants to expand their housing search, particularly in neighborhoods with low levels of poverty. Recognizing that using a single city-wide VPS stimulated voucher holders to reside in low-cost, high-poverty neighborhoods, the HACP devised a robust and comprehensive method for establishing Payment Standards and rent reasonableness determinations. The goals of this activity are to:

¹ Teixeira, Samantha & Zuberi, Anita. (2016). Mapping the Racial Inequality in Place: Using Youth Perceptions to Identify Unequal Exposure to Neighborhood Environmental Hazards. *International Journal of Environmental Research and Public Health*. 13. 844. 10.3390/ijerph13090844.

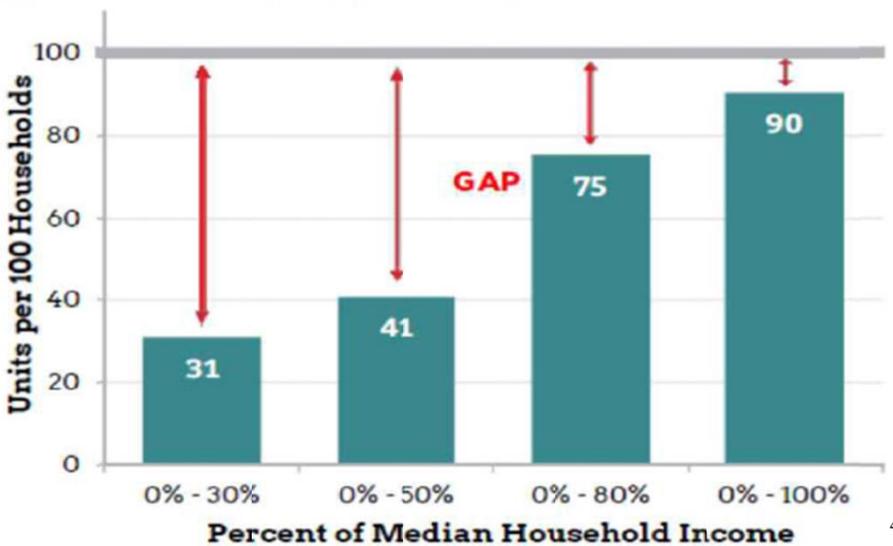
1. Expand housing choices by providing access to more neighborhoods;
2. Create additional units from previously sub-standard properties and improve the quality of existing units;
3. Decrease concentration of voucher usage in high poverty areas.

According to the City of Pittsburgh’s Affordable Housing Task Force Housing Needs Assessment (released in 2016) the City is undergoing an affordable housing shortage. The Assessment utilized data from the American Community Survey (ACS), the United States Census Bureau (USCB), the city’s median household income, Public Use Microsample (PUMS) and data from various city departments such as the Department of City Planning, Department of Permits Licenses and Inspections (PLI) and the Urban Redevelopment Authority (URA). The Assessment specifically cites the following²:

- There is a severe shortage of both rental and for-sale housing that is affordable and available to very-low-income (50% of the area median income) and extremely low-income (30% of the area median income) households.
- The shortage of decent, safe, sanitary, and affordable housing is causing tens of thousands [17,000]³ of very-low-income and extremely low-income households to pay over half of their income for housing costs. The severe cost burden faced by these households makes them vulnerable to health hazards, eviction/foreclosure, and homelessness.
- Much of the city’s existing affordable housing stock is both concentrated and often isolated in high-poverty/low opportunity areas which have poor access to jobs, public transportation, and educational opportunities perpetuating cycles of poverty.

Affordable Housing Gap:

Affordable Housing Gap for Renters, 2014



During the development of the revised Local Payment Standard, the HACP conducted a six-

² Affordable Housing Task Force Housing Needs Assessment
³ “Peduto looking beyond city hall as policy goals take shape” Pittsburgh Post-Gazette. February 12, 2018
⁴ Affordable Housing Taskforce: Pittsburgh Housing Needs Assessment

month public engagement process with nearly 200 members of the community and facilitated over fifteen (15) public and industry meetings. After receiving comments from landlords, advocates, participants, housing providers, staff and community organizations it was apparent the HACP needed to push for significant increases in successful lease rates among voucher participants. Based upon the comments received during the engagement process and the studies conducted by the University of Pittsburgh, Duquesne University and the Affordable Housing Task Force, the HACP has set a goal of attracting 500 units via the proposed Local Payment Standard. The information below outlines the specifics of the proposed Local Payment Standard which will require extensive landlord outreach and continued community engagement.

In response to the current housing climate and the low voucher utilization rate, the HACP has developed a (3) prong approach in the development of an alternative payment standard. Based upon eligibility; landlords and participants will have the two (2) Options and a baseline.

Baseline: The HACP Voucher Payment Standard

The Baseline Voucher Payment Standard will remain at the HACP’s current standard of 110 percent of the Metropolitan Statistical Area Fair Market Rent (MSAFMR), to be reviewed annually. This standard is within margins of the current FY 2020 FMR rents and projected FY 2021 FMR and should result in little to no change in cost to the agency or Housing Assistance Payments (HAP) provided to existing landlords.

Bedroom Size	2019 Fair Market Rent (FMR)	HACP 2019 Voucher Payment Standard	2020 Pittsburgh Metropolitan Statistical Area (MSA) FMR	Approved HACP Voucher Payment Standard Baseline (110% of MSAFMR)
0 bedroom	\$647	\$657	\$661	\$727
1 bedroom	\$725	\$777	\$727	\$800
2 bedroom	\$896	\$978	\$890	\$979
3 bedroom	\$1,137	\$1,213	\$1,137	\$1,251
4 bedroom	\$1,248	\$1,341	\$1,248	\$1,373
5 bedroom	\$1,435	\$1,542	\$1,435	\$1,579
6 bedroom	\$1,622	\$1,744	\$1,622	\$1,784

All units in the HACP’s jurisdiction will utilize the baseline payment standard unless approved for the alternative payment standards options cited in this activity. Refer to sections titled “Option 1: Rehab Vouchers” and “Option 2: Mobility Vouchers” for the eligibility and approval criteria for these payment options.

Option 1: Rehab Vouchers

The HACP discovered that landlords were receptive to the HCV program but found it difficult to lease additional units because the payment standard did not support the upfront cost associated with purchasing properties and cost of rehabilitation. The HACP came to this conclusion based upon landlord forums, public meetings, the landlord advisory council and interviews conducted over two years by Duquesne University. The culmination of this finding leads to the \$6,000 minimum threshold for renovations. The goal of this option is to incentivize landlords to rehabilitate substandard units that otherwise would not be able to be on the HCV program. Thereby increasing the affordable housing stock. During the public engagement process, the HACP held information sessions and created a landlord working group specifically for this initiative. They advised on the cost of renovations in the Pittsburgh area and the varying cost based on the condition of the housing stock. The HACP also consulted the City of Pittsburgh Bureau of Building Inspection as well as general research of basic repairs. The information derived from these meetings led the HACP to determine \$ 6,000 as an adequate incentive for the varied housing stock in Pittsburgh keeping in mind that investments do not necessarily correlate with the size of the unit.

Units in this payment option can receive up to 130 percent of MSAFMR. The HACP defines a new unit as a property that was not receiving subsidy the year prior. This payment option is neither indefinite nor for one time use but rather remains available to the landlord should the approved unit change voucher holders. For a unit to qualify for this option the property must be a new unit and meet at least one of the following:

- i. Undergo significant upgrades and/or investments that improve the quality of the unit. These include but are not limited to complete electrical, plumbing HVAC installation, roof replacement, and building envelope resurfacing. The unit receiving the investment will not qualify for this payment standard if they are currently receiving subsidy or received subsidy the year prior. This payment option remains available to the landlord should the approved unit change voucher holders. Green or energy efficient infrastructure is encouraged but at this time will not qualify as an approved investment due to lack of capacity.
- ii. The unit must pass the International Property Maintenance Code inspection standard. The unit will not qualify for this payment standard if they are currently receiving subsidy or received subsidy the year prior. This payment option remains available to the landlord should the approved unit change voucher holders.
- iii. Units built to be affordable under any Inclusionary Zoning (IZ) policy determined by the Department of City Planning. The unit will not qualify for this payment standard if they are currently receiving subsidy or received subsidy the year prior. This payment option remains available to the landlord should the approved unit change voucher holders.

The City of Pittsburgh's Inclusionary Zoning (IZ) policy is a tool to incentivize and encourage developers to build new affordable housing in neighborhoods that have priced out low-income renters. The current IZ policy is only applicable to the Lawrenceville neighborhood which has seen rapid increases in market unit prices. By aligning the HACP's payment standard with the city's IZ policy the financing gap caused by below market rents is tightened and decreases the financial risk for developers creating affordable units.

Additionally, the neighborhood formerly housed a robust population of voucher holders

including a significant refugee community. By aligning with the IZ policy, the HACP is encouraging the development of new affordable units in low poverty communities.

Note: Low-income Housing Tax Credit (LIHTC) units are ineligible for this payment standard during the initial fifteen (15) year affordability period. Following the initial affordability period units in LIHTC developments qualify for the rehab unit payment option if they meet the eligibility requirements.

Note: New or existing units can qualify for this payment option if they meet the eligibility requirements.

Below is the approved rent schedule for Option 1: Rehab Vouchers:

Bedroom Size	*2019 MSAFMRs	Rehab units 130% of MSAFMR	Net Difference
0 bedroom	\$661	\$859	\$198
1 bedroom	\$727	\$945	\$218
2 bedroom	\$890	\$1,157	\$267
3 bedroom	\$1,137	\$1,478	\$341
4 bedroom	\$1,248	\$1,622	\$374
5 bedroom	\$1,435	\$1,859	\$424
6 bedroom	\$1,622	\$2,109	\$487

* Amounts are based on HUD published 2019 MSAFMRs

Eligibility Requirements

The property must meet at least one (1) of the following criteria to be eligible for the Enhanced Voucher Payment Standard:

- i. Undergo significant upgrades and/or investments that improve the quality of the unit. This will be assessed based upon the following standards:
 - a. System upgrades, and/or
 - b. Rehabilitation of previously substandard units, and/or
 - c. Renovation (investments of 6,000 dollars or more per unit for labor and/or materials)

Property owners are required to submit documentation of the planned renovations. The HACP or designated third party will then verify the completed work and costs and deem the property owner eligible to receive the enhanced quality payment standard. Substantial rehabilitation or modernization under \$6,000 may be eligible for this standard dependent upon review.

- ii. The unit must pass the International Property Maintenance Code inspection standard. Landlords must request an inspection specifically for this standard.
- iii. Units built to be affordable under any inclusionary zoning policy determined by the Department of City Planning. Landlords must request qualification under this standard, and

the HACP will review with the Department of City Planning to confirm eligibility.

A significant change to the Option 1: Rehab Vouchers is being made to include, adding revised eligibility requirements.

Additional Eligibility Requirements

The Option 1: (Rehab Vouchers) will be available to all current voucher holders or new admissions to the Housing Choice Voucher (HCV) program. Participants that are elderly, disabled or currently employed and possess a minimum of six (6) months of employment will receive preference for this option. However, this preference only applies to persons on the HCV wait list and not current voucher holders. If a participant is unemployed or becomes unemployed during their tenancy under this option they are immediately required to enroll in the Family Self Sufficiency (FSS) program. More specifically:

- (1) Any current voucher participant can access Option 1: (Rehab Vouchers).
- (1) Any household on the HCV wait list can also access the alternative payment standard however, a preference for elderly, working or disabled families will be applicable to families requesting Option 1: (Rehab Vouchers).

Option 2: Mobility Vouchers (location-based)

The Option 2: (Mobility Vouchers) will provide opportunities for low-income families to live in areas with lower concentrations of poverty. Using a combination of zip code and neighborhood level data, including areas of low voucher use, to define the selected areas, the HACP identified the city neighborhoods listed below as eligible for the Mobility Voucher Payment Standard; the payment standard for this option is 130 percent of the average of the designated mobility zone Small Area Fair Market Rent (SAFMR) for the zip codes associated with the identified areas*.

Neighborhood	Zip Codes
Shadyside	15206, 15213, 15232
Lower Lawrenceville	15201, 15213, 15224
Strip District	15201
Southside Flats	15203
Downtown	15219, 15222
Squirrel Hill	15213, 15217, 15232

Note: Low-income Housing Tax Credit (LIHTC) units are ineligible for this payment standard during the initial fifteen (15) year affordability period. Following the initial affordability period units in LIHTC developments qualify for the Mobility unit payment option if they meet the eligibility requirements.

Note: New or existing units can qualify for this payment option if they meet the eligibility requirements.

Below is the approved rent schedule for Option 2: Mobility Vouchers:

Location Based Standard	*2019 MSAFMR	130% of Mobility Zip Code Average Rents	Net Difference
0 bedroom	\$770	\$841	\$71
1 bedroom	\$850	\$942	\$92
2 bedroom	\$1040	\$1,352	\$312
3 bedroom	\$1,330	\$1,729	\$399
4 bedroom	\$1,460	\$1,898	\$438
5 bedroom	\$1,435	\$1,866	\$431
6 bedroom	\$1,622	\$2,109	\$487

***Actual amounts are based on HUD published 2019 MSAFMRs**

Eligibility Requirements

The Option 2: (Mobility Vouchers) will be available to all current voucher holders or new admissions to the Housing Choice Voucher (HCV) program. Participants that are elderly, disabled or currently employed and possess a minimum of six (6) months of employment will receive preference for this option. However, this preference only applies to persons on the HCV wait list and not current voucher holders. If a participant is unemployed or becomes unemployed during their tenancy under this option they are immediately required to enroll in the Family Self Sufficiency (FSS) program. More specifically:

- (2) Any current voucher participant can access Option 2 (Mobility Vouchers).
- (3) Any household on the HCV wait list can also access the alternative payment standard however, a preference for elderly, working or disabled families will be applicable to families requesting Option 2 (Mobility Vouchers).

The HACP is also exploring options to develop a tenant training course to better prepare voucher holders. The course will cover such topics as budgeting, understanding the lease agreement, utilities, maintaining a safe and healthy home, and how to communicate with your landlord and neighbors. Participants seeking to utilize the Mobility (location based) Voucher will be required to complete the tenant training course.

- a) Rent Reasonableness: The HACP has developed a scorecard that will consider factors that enhance the quality of life and safety of the household. The resulting score will be used to more accurately reflect the quality of unit and incentivizes landlords by rewarding higher rent adjustments based on unit ratings.
- b) In addition to the HACP's current process, the score card will include the following subcategories:
 - i. Location based factors: access to transit, food options, business districts green spaces, educational centers, environmental factors, and employment
 - ii. Safety features: buzzed entry/secure entrances, surveillance, and guards
 - iii. Amenities: recreational centers, gyms, parking, business centers, Wi-Fi access, Air Conditioning, garage, a front or back yard Investments/ substantial rehab or modernization

Impact of the approved Local Payment Standard

Option 1: Rehab Vouchers

The HACP can provide more housing opportunities in low poverty areas as well as increase the available voucher eligible housing stock. These new payment standards reflect the dramatic changes in the Pittsburgh real estate market within recent years.

Much of Pittsburgh's housing stock is severely aged requiring landlords to invest significant capital to create properties that are habitable. Roughly 75 percent of the housing stock was built prior to 1960⁵ and 50 percent was built prior to 1940⁶. In order to attract additional units, The HACP must align the payment standard to reflect the investment made by the landlord. Construction costs make it almost

Cost of Recently Constructed Apartments, 2015

Unit Size	Average Rent	Minimum Household Income Required	% of Median Income Required
Micro/Studio	\$1,251	\$50,033	125%
1-bedroom	\$1,599	\$63,960	160%
2-bedroom	\$2,163	\$86,510	216%
3-bedroom	\$2,545	\$101,800	254%

Sources: ACS 2014; Federal Poverty Guidelines 2016; Developer survey and calculations by Mullin & Lonergan Associates

impossible for voucher holders to reside in newly constructed often high-end luxury units creating an even bigger affordability gap. One (1) of Pittsburgh's unique assets is its availability of inexpensive resale properties and home prices. For perspective, between January 1, 2013 and January 1, 2016, 10,892 homes were purchased⁷. Landlords have taken advantage of this environment and are able to buy properties that can become rental units. This process is more cost effective than new construction and sustainable for most landlords. Through the approved Rehab Payment Standard, the HACP will be able to create new affordable units while decreasing the number of vacant or uninhabitable homes.⁸

The Rehab Payment Standard also provides an opportunity for landlords of any size or experience to participate in the program while receiving a rent level that better aligns with the investment used to develop the unit. The HACP is confident these measures will also increase landlord participation.

Option 2: Mobility Vouchers (location-based)

There are also several key neighborhoods within the city that have low voucher populations. These neighborhoods also have low concentrations of poverty and significant access to major job centers, health facilities, universities and food. Neighborhoods identified in the mobility zones such as Squirrel Hill, Downtown and the Strip District require median incomes of at least \$54,500, \$50,000 and \$67,800, per year, respectively for a household to not pay more than 30 percent of their income⁹. To provide access to these neighborhoods and others that share similar characteristics, the HACP proposed the Mobility (location based) Voucher Payment Standard. The standard better reflects the rental market in these areas and is more appealing to landlords or developers who continue to invest in the identified mobility zones.

⁵ Governing the states and localities. "Cities with Oldest Homes: Age of Housing Stock Data." *Governing Magazine: State and Local Government News for America's Leaders*, Governing, 2018, www.governing.com/govdata/transportation-infrastructure/age-year-built-for-homes-in-cities.html.

⁶ Data Access and Dissemination Systems (DADS). "Results." *American FactFinder*, U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates, 2016, factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF.

⁷ Affordable Housing Taskforce: Pittsburgh Housing Needs Assessment Excludes sales for which a bank or other lending agency was the buyer, sales which conveyed a partial interest in a property, and sales in which multiple parcels were conveyed.

⁸ Affordable Housing Taskforce: Pittsburgh Housing Needs Assessment

⁹ Affordable Housing Taskforce: Pittsburgh Housing Needs Assessment

The HACP will closely monitor the effects of these changes on HAP costs and lease-up rates; to ensure the goals of the Local Payment Standard are in compliance with HUD standard Moving To Work (MTW) metrics. Current units are ineligible for payment Options 1 and 2 but can utilize landlord incentives. As the FY 2019 MTW Annual Plan was approved in June 2019, new units could apply for the higher payment standard as of August 1, 2019. Landlords also have access to pre inspection services.

Baseline, Benchmarks and Metrics

The HACP has established the following baselines and benchmarks for this activity. The FY 2019 MTW Annual Plan was approved in June 2019 and the HACP initiated implementation of this activity. However, with the COVID-19 pandemic and the challenges facing the HACP as pertains to complete and timely implementation of the initiative, **Year 1** is going to be inclusive of the remainder of FY 2020 and FY 2021.

The HACP anticipates an increase of 250 units over a span of three (3) years. The charts below illustrate the financial impact weighted by the current makeup of voucher by bedroom size. **Year 1** is projected to yield 40 units; **Year 2** will result in an additional 100 units and **Year 3** will receive the remaining 110 units to total 250.

HUD MTW Metric: Housing Choice

HC #5: Increase in Resident Mobility		
Unit of Measurement	Baseline	Benchmark Year 1
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	Households able to move to a better unit and/or neighborhood of opportunity prior to implementation of the activity (number) This number may be zero. HACP= 0	Expected households able to move to a better unit and/or neighborhood of opportunity after implementation of the activity (number). = 40

HUD MTW Metric: Housing Choice

HC #2: Units of Housing Preserved		
Unit of Measurement	Baseline	Benchmark Year 1
Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase).	Housing units preserved prior to implementation of the activity (number). This number may be zero. HACP = 0	Expected housing units preserved after implementation of the activity (number) = 40

HUD MTW Metric: Self Sufficiency

SS #5: Households Assisted by Services that Increase Self Sufficiency		
Unit of Measurement	Baseline	Benchmark Year 1
Number of households receiving services aimed to increase self-sufficiency (increase).	Households receiving self-sufficiency services prior to implementation of the activity (number). HACP= 0	Expected number of households receiving self-sufficiency services after implementation of the activity (number) = 40

HACP Established Metric: New Landlords

HACP Metric: New Landlords		
Unit of Measurement	Baseline	Benchmark Year 1
Number of new landlords leasing units to HCV participants. That would otherwise not be available (increase).	Total number of new landlords prior to implementation of the activity (number). This figure may be zero HACP= 0	Expected number of new landlords after implementation of the activity (number) = 15

Cost Implications Option 1: Rehab Voucher

The HACP anticipates an increase of 250 units over a span of three (3) years. The charts below illustrate the financial impact weighted by the current makeup of voucher by bedroom size. **Year 1** is projected to yield 40 units; **Year 2** will result in an additional 100 units and **Year 3** will receive the remaining 110 units to total 250.

Total projected agency cost per year: **Rehab Voucher**

Implementation Year	Total Housing Assistance Payment	Total Average Tenant Portion of Rent	*Agency's cost per year less total average tenant portion payment per year	Additional units per year	Total additional units
Year 1	\$413,616	\$279,135	\$134,481	40 Units	40 Units
Year 2	\$1,422,000	\$976,970	\$445,030	100 Units	140 Units
Year 3 **Total cost of implementation per year at 250 units	\$2,523,312	\$1,744,590	\$778,716	110 Units	250 Units

*Estimates total payment of rent per year for the additional 250 units

**Totals represent the *additional* cost per year above the Baseline Standard for the additional 250 units

Cost Implications Option 2: Mobility Voucher

The HACP anticipates an increase of 250 units over a span of three (3) years. The charts below illustrate the financial impact weighted by the current makeup of voucher by bedroom size. **Year 1** is projected to yield 40 units; **Year 2** will result in an additional 100 units and **Year 3** will receive the remaining 110 units to total 250.

Total projected agency cost per year: **Mobility Voucher**

Implementation Year	Total Housing Assistance Payment (Agency cost)	Total Average Tenant Portion of Rent	*Agency's cost per year less total average tenant portion payment per year	Additional units per year	Total additional units
Year 1	\$539,705	\$279,135	\$260,570	40 Units	40 Units
Year 2	\$1,859,212	\$976,970	\$882,242	100 Units	140 Units
Year 3 **Total cost of implementation per year at 250 units	\$3,298,499	\$1,744,596	\$1,548,903	110 Units	250 Units

*Estimates total payment of rent per year for the additional 250 units

**Totals represent the *additional* cost per year above the Baseline Standard for the additional 250 units

Cost Implication: Combined program cost

The HACP anticipates an increase of 500 units over a span of three (3) years. The charts below illustrate the financial impact weighted by the current makeup of voucher by bedroom size of Option 1 and Option 2 combined. **Year 1** is projected to yield 80 units; **Year 2** will result in an additional 200 units and **Year 3** will receive the remaining 220 units to total 500.

*Estimates total payment of rent per year for the additional 500 units

Implementation Year	Rehab Voucher: Agency's cost per year less total average tenant portion payment per year	*Mobility Voucher: Agency's cost per year less total average tenant portion payment per year	Total additional units after implementation	Additional cost above baseline
Year 1	\$134,481	\$260,570	80	\$395,051
Year 2	\$445,030	\$882,242	280	\$1,327,272
Year 3	\$778,716	\$1,548,903	500	\$2,327,619
** Total cost (over three years)	\$1,358,227	\$2,691,715	500	\$4,049,942

*Estimates total payment of rent per year for the additional units

**Totals represent the *additional* cost per year above the Baseline Standard for the additional 500 units

Changes and Modifications

No changes to this activity during this fiscal year.

Authorization

The Local Payment Standard activity utilizes the following MTW flexibility and authorizations.

Attachment C(D)(1)(a)-Operational Policies and Procedures to waive provisions of 24 CFR 982.162 Section 8(o)(t) of the 1937 Act.

Attachment C(D)(2)(a)-Rent Policies and Term Limits to waive provisions of 24 CFR 982.503, 982.508 and Sections 8(o)(1), 8(o)(2) and 8(o)(3) of the 1937 Act.

Attachment C(D)(2)(c)-Rent Policies and Term Limits to waive provisions of 24 CFR 982.507, 8(o)(10) of the 1937 Act.

Attachment C(D)(3)(a)- Eligibility of Participants to waive provisions of 24 CFR 982.201, 24 and Sections 16(b) and 8(0)(4) of the 1937 Act.

Attachment C(D)(4)- Waiting List Policies to waive provisions of 24 C.F.R. 982 Subpart E. 982.4305 and 983 Subpart F Section 8 (o)(6), 8(o)(13)(J) and 8(o)(16) of the 1937 Act.

Attachment C(D)(5)- Ability to Certify Housing Quality Standards to waive provisions of 24 CFR 982. Subpart I and Section 8(o)(8) of the 1937 Act.

Attachment C(D)(6)- Local Process to Determine Eligibility to waive provisions of 24 CFR 983. Subpart D and Section 8(o)(13) of the 1937 Act.

Regulatory Citation

24 CFR 982.162 Section 8(o)(t)

24 CFR 982.503, 982.508 and Sections 8(o)(1), 8(o)(2) and 8(o)(3)

24 CFR 982.507, 8(o)(10)

24 CFR 982.201, 24 and Sections 16(b) and 8(0)(4)

24 CFR 982 Subpart I and Section 8(o)(8)

24 CFR 983. Subpart D and Section 8(o)(13)

B. Not Yet Implemented Activities

Not Yet Implemented Activities

The HACP does not currently have any approved but not yet implemented activities.

C. On-Hold Activities

On-Hold Activities

The HACP does not currently have any approved MTW activities On-Hold.

D. Closed-Out Activities

Closed-Out Activities

Since entering the MTW Program in FY 2000, the HACP has also instituted a number of initiatives that in FY 2021 no longer require specific MTW Authority. Some of those initiatives are:

1. Establishment of Site-Based Waiting Lists. Closed out in FY 2006, prior to execution of the Standard Agreement as Moving To Work authority was no longer required for this activity.
2. Establishment of a variety of local waiting list preferences, including a working/elderly/disabled preference and a special working preference for scattered site units. Closed out in FY 2008, prior to execution of the Standard Agreement as MTW authority was no longer required for this activity.
3. Modified Rent Reasonableness Process. Closed out in FY 2008, prior to execution of the Standard Agreement as MTW authority was no longer required for this activity.
4. Transition to Site-Based Management and Asset Management, including Site-Based Budgeting and Accounting. Closed out in FY 2005, prior to execution of the Standard Agreement as MTW authority was no longer required for this activity.

E. Other Activities

Other Activities

Several activities that utilized MTW Authority but are not specified as specific initiatives waiving specific regulations, were previously included in the initiative section but no longer require that separate listing. They are as follows:

1. Use of Block Grant Funding Authority to Support MTW Initiatives - Block Grant Funding Authority supports Development and Redevelopment, Enhanced and Expanded Family Self-sufficiency and related programming, and the HACP MTW Homeownership Program.

- a. Originally approved with the initial MTW Program and expanded to include homeownership and resident service programs in subsequent years, the HACP continues to use MTW block grant funding to support its MTW Initiatives. Additional information on the use of Single Fund block grant authority is included in other sections of this MTW Plan, particularly Section V. on Sources and Uses of funds.

2. Energy Performance Contracting

- a. Under the HACP's MTW Agreement, the HACP may enter into Energy Performance Contracts (EPC) without prior HUD approval. The HACP will continue its current EPC, executed in FY 2008, to reduce costs and improve the efficient use of federal funds.
- b. The HACP's current EPC included installation of water saving measures across the authority, installation of more energy efficient lighting throughout the authority, and installation of geo-thermal heating and cooling systems at select communities. It was completed in FY 2010, with final payments made in FY 2011. Monitoring and Verification work began in FY 2011, with the first full Monitoring and Verification report completed for the FY 2012 year. The HACP's objectives include realizing substantial energy cost savings. The HACP reports on the EPC in the MTW Annual Report.

3. Establishment of a Local Asset Management Program

- a. In FY 2004, prior to HUD's adoption of a site-based asset management approach to public housing operation and management, the HACP embarked on a strategy to transition its centralized management to more decentralized site-based management capable of using an asset management approach. During the HACP's implementation, HUD adopted similar policies and requirements for all Housing Authorities. Specific elements of the HACP's Local Asset Management Program were approved in FY 2010, as described in the Appendix, Local Asset Management Program. The HACP will continue to develop and refine its Local Asset Management Program to reduce costs and increase effectiveness.

4. Acquisition of Property and Build-Out to be Utilized for Administrative Offices

- a. The HACP along with its partners, the City of Pittsburgh and the Urban Redevelopment Authority (URA), jointly purchased new office space located at 412 Boulevard of the Allies on September 20, 2018. The HACP intends to build-out the office space and relocate during FY 2021. The HACP plans to submit an application for disposition for its current offices in the John P. Robin Civic Building in FY 2021.

V. ESTIMATED SOURCES AND USES OF FUNDING

(II)SOURCES AND USES OF MTW FUNDS
<u>ANNUAL MTW PLAN</u>

A. ESTIMATED SOURCES AND USES OF MTW FUNDS

i. Estimated Sources of MTW Funds

The MTW PHA shall provide the estimated sources and amount of MTW funding by Financial Data Schedule (FDS) line item.

FDS LINE ITEM NUMBER	FDS LINE ITEM NAME	DOLLAR AMOUNT
70500 (70300+70400)	Total Tenant Revenue	\$7,363,316
70600	HUD PHA Operating Grants	\$147,476,006
70610	Capital Grants	\$ -
70700		
(70710+70720+70730+70740+70750)	Total Fee Revenue	\$24,397,169
71100+72000	Interest Income	\$17,449
71600	Gain or Loss on Sale of Capital Assets	\$ -
71200+71300+71310+71400+71500	Other Income	\$6,798,678
70000	Total Revenue	\$186,052,618

ii. Estimated Uses of MTW Funds

The MTW PHA shall provide the estimated uses and amount of MTW spending by Financial Data Schedule (FDS) line item.

FDS LINE ITEM NUMBER	FDS LINE ITEM NAME	DOLLAR AMOUNT
91000 (91100+91200+91400+91500+91600+91700 +91800+91900)	Total Operating - Administrative	\$33,094,356
91300+91310+92000	Management Fee Expense	\$5,366,288
91810	Allocated Overhead	\$ -
92500 (92100+92200+92300+92400)	Total Tenant Services	\$6,692,357
93000 (93100+93600+93200+93300+93400+93800)	Total Utilities	\$10,566,053
93500+93700	Labor	\$ -
94000 (94100+94200+94300+94500)	Total Ordinary Maintenance	\$23,923,641
95000 (95100+95200+95300+95500)	Total Protective Services	\$6,664,161
96100 (96110+96120+96130+96140)	Total Insurance Premiums	\$1,370,955
96000 (96200+96210+96300+96400+96500+96600 +96800)	Total Other General Expenses	\$6,280,920
96700 (96710+96720+96730)	Total Interest Expense & Amortization Cost	\$ -
97100+97200	Total Extraordinary Maintenance	\$37,596,051
97300+97350	HAP + HAP Portability-In	\$44,265,000
97400	Depreciation Expense	\$ -
97500+97600+97700+97800	All Other Expense	\$10,232,836
90000	Total Expenses	\$186,052,618

Please describe any variance between Estimated Total Revenue and Estimated Total Expenses: No Variance

iii. Description of Planned Use of MTW Single Fund Flexibility

The MTW PHA shall provide a thorough narrative of planned activities that use only the MTW single fund flexibility. Where possible, the MTW PHA may provide metrics to track the outcomes of these programs and/or activities. Activities that use other MTW authorizations in Attachment C and/or D of the Standard MTW Agreement (or analogous section in a successor MTW Agreement) do not need to be described here, as they are already found in Section (III) or Section (IV) of the Annual MTW Plan. The MTW PHA shall also provide a thorough description of how it plans to use MTW single fund flexibility to direct funding towards specific housing and/or service programs in a way that responds to local needs (that is, at a higher or lower level than would be possible without MTW single fund flexibility).

PLANNED USE OF MTW SINGLE FUND FLEXIBILITY
The HACP plans to utilize its single fund flexibility to direct \$40,144,723 in 2021 from the HCVP and Low-Income Public Housing Program funding to support the HACP Development Program, Modernization Program, Resident Services, and Protective Services.

HACP will continue the use of single fund flexibility as approved in prior years for the activities listed below:

<u>Activity</u>	<u>Plan Year Originally Obligated</u>	<u>Status</u>
Use of Block Grant Funding to support Enhance Family Self-Sufficiency Program	2004 Annual Plan	Ongoing
Use of Block Grant Funding to support development and redevelopment activities	2001 Annual Plan	Ongoing
Use of Block Grant Funding to support the HACP Homeownership Program	2002 Annual Plan with modifications in subsequent years	Ongoing

B. LOCAL ASSET MANAGEMENT PLAN

i. Is the MTW PHA allocating costs within statute?

No, the HACP is not allocating costs within statute

ii. Is the MTW PHA implementing a local asset management plan (LAMP)?

Yes

iii. Has the MTW PHA provided a LAMP in the appendix?

Yes

iv. If the MTW PHA has provided a LAMP in the appendix, please describe any proposed changes to the LAMP in the Plan Year or state that the MTW PHA does not plan to make any changes in the Plan Year.

The HACP does not plan to make any changes in the Plan Year.

C. RENTAL ASSISTANCE DEMONSTRATION (RAD) PARTICIPATION

i. Description of RAD Participation

The MTW PHA shall provide a brief description of its participation in RAD. This description must include the proposed and/or planned number of units to be converted under RAD, under which component the conversion(s) will occur, and the approximate timing of major milestones. The MTW PHA should also give the planned/actual submission dates of all RAD Significant Amendments. Dates of any approved RAD Significant Amendments should also be provided.

RENTAL ASSISTANCE DEMONSTRATION (RAD) PARTICIPATION

The HACP completed a RAD conversion for the Oak Hill mixed-income community and Glen Hazel public housing community in FY 2017 and FY 2018, respectively. The HACP plans to convert 86 public housing units in the Manchester neighborhood to the RAD PBV program in FY 2021 as the Commitment for Housing Assistance Payment (CHAP) was received in May 2020. This project is also known as the Manchester Redevelopment. In October 2020, the HACP submitted a full RAD significant amendment to the FY 2020 MTW Annual Plan with the requisite attachments to include the documentation for the public hearing process and required certifications. In FY 2021, the HACP will continue to review potential RAD conversion options for other public housing communities.

ii. Has the MTW PHA submitted a RAD Significant Amendment in the appendix? A RAD Significant Amendment should only be included if it is a new or amended version that requires HUD approval.

iii. If the MTW PHA has provided a RAD Significant Amendment in the appendix, please state whether it is the first RAD Significant Amendment submitted or describe any proposed changes from the prior RAD Significant Amendment.

N/A

No

VI. ADMINISTRATIVE

A. Board Resolution.

A copy of the HACP Board Resolution and certification adopting this FY 2021 MTW Annual Plan and a signed copy of the Certifications of Compliance is included with the FY 2021 MTW Annual Plan.

B. Public Comment

I. The FY 2021 MTW Annual Plan was available for public comment from August 10, 2020 to September 09, 2020. There were no comments received.

II. Public Hearings to receive comments on the Plan were held on Wednesday, September 9, 2020, at 12:00 p.m. and at 5:30 p.m. via Zoom:

12:00 p.m. via Zoom at Meeting ID: 97596237900 Password: 663158 (US) +1 301-715-8592 Passcode: 663158

5:30 p.m. via Zoom at Meeting ID: 99795375031 Password: 553318

(US) +1 929-205-6099 Passcode: 553318

C. Description of Evaluation of the Demonstration

The HACP continues to work with the University of Pittsburgh, Graduate School of Public and International Affairs, Center for Urban Studies, on evaluation of the HACP implemented activities. Future work will focus on extending and expanding the evaluation project to include factors relating to economic and social mobility as it relates to MTW initiatives.



Housing Authority of the City of Pittsburgh

Executive Office
200 Ross Street – 9th Floor
Pittsburgh, PA 15219
(412) 456-5012

CERTIFICATE OF RESOLUTION APPROVAL

I, Amy L. Shaffer, Recording Secretary of the Housing Authority of the City of Pittsburgh, do hereby certify that the attached Resolution No. 43 as presented to the Board of Commissioners of the Housing Authority of the City of Pittsburgh at its meeting held on Thursday, September 24, 2020 and approved.

IN TESTIMONY, WHEREOF, I have hereunto set my hand and the seal of said Housing Authority of the City of Pittsburgh this 24th Day of September, 2020.

Amy L. Shaffer

Recording Secretary (SEAL)

RESOLUTION No. 43 of 2020

**A Resolution - Approving the HACP FY 2021 Moving to Work Annual Plan, and
authorizing the Executive Director or his Designee to submit the
Annual Plan to the U.S. Department of Housing and Urban Development**

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

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

WHEREAS, the HACP's FY 2021 Moving To Work Annual Plan was made available for public review and comment from August 10, 2020 until September 09, 2020 and public hearings were held on the proposed Annual Plan on Wednesday, September 09, 2020; and

WHEREAS, the HACP considered all comments received regarding the FY 2021 MTW Annual Plan.

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

Section 1. The Housing Authority of the City of Pittsburgh's Fiscal Year 2021 Moving to Work Annual Plan is approved and the Executive Director or his Designee is authorized to submit the plan to HUD; and

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

CERTIFICATIONS OF COMPLIANCE

**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF PUBLIC AND INDIAN HOUSING**

**Certifications of Compliance with Regulations:
Board Resolution to Accompany the Annual Moving to Work Plan**

Acting on behalf of the Board of Commissioners of the Moving to Work Public Housing Agency (MTW PHA) listed below, as its Chairman or other authorized MTW PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the MTW PHA Plan Year beginning (01/01/2021), hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

- (1) The MTW PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the MTW PHA conducted a public hearing to discuss the Plan and invited public comment.
- (2) The MTW PHA took into consideration public and resident comments (including those of its Resident Advisory Board or Boards) before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan.
- (3) The MTW PHA certifies that the Board of Directors has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1 (or successor form as required by HUD).
- (4) The MTW PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
- (5) The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
- (6) The Plan contains a certification by the appropriate state or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the MTW PHA's jurisdiction and a description of the manner in which the Plan is consistent with the applicable Consolidated Plan.
- (7) The MTW PHA will affirmatively further fair housing by fulfilling the requirements at 24 CFR 903.7(o) and 24 CFR 903.15(d), which means that it will take meaningful actions to further the goals identified in the Assessment of Fair Housing (AFH) conducted in accordance with the requirements of 24 CFR 5.150 through 5.180, that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing, and that it will address fair housing issues and contributing factors in its programs, in accordance with 24 CFR 903.7(o)(3). Until such time as the MTW PHA is required to submit an AFH, and that AFH has been accepted by HUD, the MTW PHA will address impediments to fair housing choice identified in the Analysis of Impediments to fair housing choice associated with any applicable Consolidated or Annual Action Plan under 24 CFR Part 91.
- (8) The MTW PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
- (9) In accordance with 24 CFR 5.105(a)(2), HUD's Equal Access Rule, the MTW PHA will not make a determination of eligibility for housing based on sexual orientation, gender identify, or marital status and will make no inquiries concerning the gender identification or sexual orientation of an applicant for or occupant of HUD-assisted housing.
- (10) The MTW PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
- (11) The MTW PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
- (12) The MTW PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
- (13) The MTW PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.

HUD FORM 50900: Certifications of Compliance

- (14) The MTW PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
- (15) The MTW PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
- (16) The MTW PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the MTW PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.
- (17) With respect to public housing and applicable local, non-traditional development the MTW PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
- (18) The MTW PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
- (19) The MTW PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
- (20) The MTW PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 200.
- (21) The MTW PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
- (22) All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the MTW PHA in its Plan and will continue to be made available at least at the primary business office of the MTW PHA.

<u>The Housing Authority of the City of Pittsburgh</u> MTW PHA NAME	<u>PA001</u> MTW PHA NUMBER/HA CODE
<i>I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).</i>	
<u>Valerie McDonald-Roberts</u> NAME OF AUTHORIZED OFFICIAL	<u>Chairperson of the Board of Commissioners</u> TITLE
 SIGNATURE	Oct 8, 2020 DATE
<small>* Must be signed by either the Chairman or Secretary of the Board of the MTW PHA's legislative body. This certification cannot be signed by an employee unless authorized by the MTW PHA Board to do so. If this document is not signed by the Chairman or Secretary, documentation such as the by-laws or authorizing board resolution must accompany this certification.</small>	

VMR - HUD Form 50900 Certifications of Compliance (2).pdf for FY 2021 MTW Annual Plan

Final Audit Report

2020-10-08

Created:	2020-09-25
By:	Amy Shaffer (amy.shaffer@hacp.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAA1QyFPTBrA8eb8lJTxnMY0WT6uSyia6A5

"VMR - HUD Form 50900 Certifications of Compliance (2).pdf for FY 2021 MTW Annual Plan" History

-  Document created by Amy Shaffer (amy.shaffer@hacp.org)
2020-09-25 - 7:48:10 PM GMT- IP address: 65.199.18.195
-  Document emailed to Valerie McDonald Roberts (allieswithvalerie@gmail.com) for signature
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-  Email viewed by Valerie McDonald Roberts (allieswithvalerie@gmail.com)
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-  Document e-signed by Valerie McDonald Roberts (allieswithvalerie@gmail.com)
Signature Date: 2020-10-08 - 9:37:25 PM GMT - Time Source: server- IP address: 73.40.252.169
-  Agreement completed.
2020-10-08 - 9:37:25 PM GMT



Certification of Payments to Influence Federal Transactions

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (Exp. 03/31/2020)

Applicant Name

The Housing Authority of the City of Pittsburgh

Program/Activity Receiving Federal Grant Funding

Moving To Work (MTW)

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012, 31 U.S.C. 3729, 3802)

Name of Authorized Official

Mr. Caster D. Binion

Title

Executive Director

Signature


Caster Binion (Exp. 29, 2020 08-45 EDT)

Date (mm/dd/yyyy)

Sep 29, 2020

Previous edition is obsolete

form HUD 50071 (01/14)
ref. Handbooks 7417.1, 7475.13, 7485.1, & 7485.3

CDB =HUD Form 50071 Certification of Payments to Influence Federal Transactions (3)

Final Audit Report

2020-09-29

Created:	2020-09-25
By:	Amy Shaffer (amy.shaffer@hacp.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAIInf--5iwqZpUWm92rz2w9e9psc61p2X

"CDB =HUD Form 50071 Certification of Payments to Influence Federal Transactions (3)" History

-  Document created by Amy Shaffer (amy.shaffer@hacp.org)
2020-09-25 - 8:31:55 PM GMT- IP address: 65.199.18.195
-  Document emailed to Caster Binion (caster.binion@hacp.org) for signature
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-  Email viewed by Caster Binion (caster.binion@hacp.org)
2020-09-29 - 12:23:04 PM GMT- IP address: 73.79.62.204
-  Document e-signed by Caster Binion (caster.binion@hacp.org)
Signature Date: 2020-09-29 - 12:45:26 PM GMT - Time Source: server- IP address: 73.79.62.204
-  Agreement completed.
2020-09-29 - 12:45:26 PM GMT



DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure.)

Approved by OMB
0348-0046

1. Type of Federal Action: <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	2. Status of Federal Action: <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	3. Report Type: <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only: year _____ quarter _____ date of last report _____
4. Name and Address of Reporting Entity: <input checked="" type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known: Congressional District, if known : N/A		5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Congressional District, if known : N/A
6. Federal Department/Agency: HUD	7. Federal Program Name/Description: FY 2021 MTW Annual Plan CFDA Number, if applicable : N/A	
8. Federal Action Number, if known : N/A	9. Award Amount, if known : \$ N/A	
10. a. Name and Address of Lobbying Registrant (if individual, last name, first name, MI): N/A	b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI): N/A	
11 Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	Signature:  Print Name: Mr. Caster D. Binion Title: Executive Director Telephone No.: 412-456-5012 Date: Sep 29, 2020	
Federal Use Only:		Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

CDB - HUD-Form-Sfill (3).pdf for FY 2021 MTW Plan

Final Audit Report

2020-09-29

Created:	2020-09-25
By:	Amy Shaffer (amy.shaffer@hacp.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAATp6KB4FzU1LoQMFGWKpg6FMupxCyD0z4

"CDB - HUD-Form-Sfill (3).pdf for FY 2021 MTW Plan" History

-  Document created by Amy Shaffer (amy.shaffer@hacp.org)
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2020-09-25 - 8:31:23 PM GMT
-  Email viewed by Caster Binion (caster.binion@hacp.org)
2020-09-29 - 12:45:34 PM GMT - IP address: 73.79.62.204
-  Document e-signed by Caster Binion (caster.binion@hacp.org)
Signature Date: 2020-09-29 - 12:45:47 PM GMT - Time Source: server- IP address: 73.79.62.204
-  Agreement completed.
2020-09-29 - 12:45:47 PM GMT



VII. APPENDICES

Appendix I. Local Asset Management Plan (LAMP)

Ongoing Initiatives and Deviations from General Part 990 Requirements

During FY 2021, the HACP will undertake the following initiatives to improve the effectiveness and efficiency of the Agency:

- ❖ The HACP will maintain the spirit of the HUD site based asset management model. It will retain the COCC and site-based income and expenses in accordance with HUD guidelines, but will eliminate inefficient accounting and/or reporting aspects that yield little or no value from the staff time spent or the information produced.
- ❖ The HACP will maintain an MTW cost center that holds all excess MTW funds not allocated to the sites or to the voucher program. This cost center and all activity therein will be reported under CFDA #14.881 Moving to Work Demonstration Program. This cost center will also hold the balance sheet accounts of the authority as a whole.
- ❖ The MTW cost center will essentially represent a mini HUD. All subsidy dollars will initially be received and reside in the MTW cost center. Funding will be allocated annually to sites based upon their budgetary needs as represented and approved in their annual budget request. Sites will be monitored both as to their performance against the budgets and the corresponding budget matrix. They will also be monitored based upon the required PUM subsidy required to operate the property. The HACP will maintain a budgeting and accounting system that gives each property sufficient funds to support annual operations, including all COCC fee and frontline charges. Actual revenues will include those provided by HUD and allocated by the HACP based on annual property-based budgets. As envisioned, all block grants will be deposited into a single general ledger fund.
- ❖ Site balance sheet accounts will be limited to site specific activity, such as fixed assets, tenant receivables, tenant security deposits, unrestricted net asset equity, which will be generated by operating surpluses, and any resulting due to/due from balances. All other balance sheet items will reside in the MTW fund accounts, and will include such things as compensated balance accrual, workers compensation accrual, investments, A/P accruals, payroll accruals, etc. The goal of this approach is to attempt to minimize extraneous accounting, and reduce unnecessary administrative burden, while maintaining fiscal integrity.
- ❖ All cash and investments will remain in the MTW cost center. This will represent the general fund. Sites will have a due to/due from relationship with the MTW cost center that represents cash.
- ❖ All frontline charges and fees to the central office cost center will be reflected on the property reports, as required. The MTW ledger won't pay fees directly to the COCC. As allowable under the asset management model, however, any subsidy needed to pay legacy costs, such as pension or terminal leave payments, may be transferred from the MTW ledger or the projects to the COCC.
- ❖ The Energy Performance Contract (EPC) accounting is broken out to the sites. This includes all assets, liabilities, debt service costs, and cost savings.

- ❖ No inventory will exist on the books at the sites. A just in time system will be operational and more efficient, both in time and expense. Also, smaller inventories will be held in COCC mobile warehouse units.
- ❖ Central Operations staff, many of whom are performing direct frontline services such as home ownership, self-sufficiency, and/or relocation, will be frontlined appropriately to the LIPH and/or HCV programs, as these costs are 100 percent low rent and/or Section 8.
- ❖ Actual HCV amounts needed for HAP and administrative costs will be allotted to the HCV program, including sufficient funds to pay asset management fees. Block grant reserves and their interest earnings will not be commingled with Section 8 operations, enhancing the budget transparency. HCV program managers will become more responsible for their budgets in the same manner as public housing site managers.
- ❖ Information Technology costs will be direct charged to the programs benefiting from them, e.g. the LIPH module cost will be direct charged to AMPs; all indirect IT costs will be charged to all cost centers based on a "per workstation" charge rather than a Fee for Service basis. This will allow for equitable allocation of the expense while saving time and effort on invoicing.

Flexible use of Phase in of Management Fees –

As a component of its local asset management plan, the HACP elects to make use of phase-in management fees for 2010 and beyond. The HUD prescribed management fees for the HACP are \$57.17 PUM. The HACP will continue to follow the phase-in schedule and approach for management fees as proposed by the HACP and approved by HUD in 2010, as follows:

Schedule of Phased-in Management Fees for HACP –

2008 (Initial Year of Project Based Accounting)	\$91.94
2009 (Year 2)	\$84.99
2010 (Year 3 and beyond)	\$78.03

The above numbers reflect 2009 dollars.

The HACP has increased contract costs over the past year in order to develop new programming and upgrade software. These upgrades will help the HACP reach its ultimate goal of providing outstanding service to the communities. The HACP has been diligently working to reduce its expenditure levels and cut unnecessary COCC costs. It is also working to increase its management fee revenues in the COCC, through aggressive, and we believe, achievable, development and lease up efforts in both the public housing and leased housing programs. The 2021 budget shows COCC at break-even. A major component of the HACP strategic plan is to grow its public housing occupancy, both through mixed finance development and management, as well as in house management, so as to better serve our low-income community and to recapture some of the fees lost to demolition. This requires central office staff, talent and expense. To make this plan work, i.e. to assist in the redevelopment of the public housing portfolio, we will need the continued benefit of the locked in level of phase in management fees.

It is worth noting that HACP has historically had above normal central office costs driven by an exceedingly high degree of unionization. The HACP has over a half dozen different collective bargaining units; this has driven up costs in all COCC departments, especially in Human Resources, Facility Services and Legal. In addition, the HACP is governed by requirements for City residency for all its employees. This has driven up the cost to attract and retain qualified people throughout the agency. This is especially the case in the high cost COCC areas, where the HACP has had to pay more to attract the necessary talent to perform these critical functions.

The phase in fee flexibility, coupled with the HACP's planned growth in public housing occupancy and increases in voucher utilization, will enable the HACP's COCC to become sustainable in the long term and fully compliant with the operating fund rule. It should also be noted that this fee flexibility will come from the HACP's MTW funds, and will require no additional HUD funding. This flexibility is the essence of the MTW program, and will go a long way towards enabling the HACP to successfully undertake and complete its aggressive portfolio restructuring efforts.

Appendix II. Units Approved for Homeownership Disposition

Units approved for homeownership disposition

(showing those units still in the housing stock as of August 2020)

PA-28-P001-022

PA Number	Zip	Address	All Units Pittsburgh, PA
PA-28-P001-022	15210	1603 BALLINGER ST #1	
PA-28-P001-022	15210	1611 BALLINGER ST #2	
PA-28-P001-022	15216	219 SEBRING AVE #4	
PA-28-P001-022	15206	252 AMBER ST #5	
PA-28-P001-022	15206	250 AMBER ST #6	
PA-28-P001-022	15206	248 AMBER ST #7	
PA-28-P001-022	15206	45 PENN CIRCLE WEST #8	
PA-28-P001-022	15206	246 AMBER ST #10	
PA-28-P001-022	15206	33 PENN CIRCLE WEST #12	
PA-28-P001-022	15206	39 PENN CIRCLE WEST #16	
PA-28-P001-022	15206	43 PENN CIRCLE WEST #17	
PA-28-P001-022	15206	35 PENN CIRCLE WEST #18	
PA-28-P001-022	15214	411 CHAUTAUQUA ST #19	
PA-28-P001-022	15233	1217 SHEFFIELD ST #20	
PA-28-P001-022	15233	1219 SHEFFIELD ST #21	
PA-28-P001-022	15233	1216 HAMLIN ST #22	
PA-28-P001-022	15233	1218 HAMLIN ST #23	
PA-28-P001-022	15206	6535 ROWAN ST #24	
PA-28-P001-022	15216	2534 NEELD AVE #27	
PA-28-P001-022	15210	712 MONTTOOTH ST #28	
PA-28-P001-022	15210	714 MONTTOOTH ST #29	
PA-28-P001-022	15210	716 MONTTOOTH ST #30	
PA-28-P001-022	15210	718 MONTTOOTH ST #31	
PA-28-P001-022	15210	720 MONTTOOTH ST #32	
PA-28-P001-022	15210	722 MONTTOOTH ST #33	
PA-28-P001-022	15210	724 MONTTOOTH ST #34	
PA-28-P001-022	15210	726 MONTTOOTH ST #35	
PA-28-P001-022	15210	728 MONTTOOTH ST #36	
PA-28-P001-022	15210	730 MONTTOOTH ST #37	
PA-28-P001-022	15212	1429 SANDUSKY ST #38	
PA-28-P001-022	15212	1431 SANDUSKY ST #39	
PA-28-P001-022	15216	142 SEBRING ST #40	
PA-28-P001-022	15210	212 CLOVER ST #41	
PA-28-P001-022	15210	214 CLOVER ST #42	
PA-28-P001-022	15210	216 CLOVER ST #43	
PA-28-P001-022	15210	218 CLOVER ST #44	
PA-28-P001-022	15210	213 ROTHMAN ST #45	
PA-28-P001-022	15210	215 ROTHMAN ST #46	
PA-28-P001-022	15210	217 ROTHMAN ST #47	
PA-28-P001-022	15210	219 ROTHMAN ST #48	
PA-28-P001-022	15207	515 FRAYNE ST #49	
PA-28-P001-022	15207	517 FRAYNE ST #50	

PA Number	Zip	Address
PA-28-P001-022	15207	521 FRAYNE ST #51
PA-28-P001-022	15207	523 FRAYNE ST #52
PA-28-P001-022	15207	527 FRAYNE ST #53
PA-28-P001-022	15207	529 FRAYNE ST #54
PA-28-P001-022	15207	533 FRAYNE ST #55
PA-28-P001-022	15207	535 FRAYNE ST #56
PA-28-P001-022	15226	2337 WOLFORD ST #58
PA-28-P001-022	15212	3564 BRIGHTON RD #60
PA-28-P001-022	15226	952 BAYRIDGE AVE #61
PA-28-P001-022	15210	1602 FIAT ST #62
PA-28-P001-022	15226	2069 WOODWARD AVE #63
PA-28-P001-022	15216	1309 METHYL ST #64
PA-28-P001-022	15201	112 SCHENLEY MANOR DR #65
PA-28-P001-022	15212	1323 OAKHILL ST #66
PA-28-P001-022	15226	1541 CHELTON AVE #67
PA-28-P001-022	15210	221 WAYSIDE ST #68
PA-28-P001-022	15216	1415 KENBURMA AVE #69
PA-28-P001-022	15201	111 SCHENLEY MANOR DR #70
PA-28-P001-022	15235	7314 SOMERSET ST #71
PA-28-P001-022	15216	948 SHADYCREST RD #72
PA-28-P001-022	15220	1245 CRANE AVE #73
PA-28-P001-022	15217	3773 BEECHWOOD BLVD #74
PA-28-P001-022	15210	2113 ECCLES ST #76
PA-28-P001-022	15210	2115 ECCLES ST #77
PA-28-P001-022	15210	2119 ECCLES ST #78
PA-28-P001-022	15210	2121 ECCLES ST #79
PA-28-P001-022	15210	2125 ECCLES ST #80
PA-28-P001-022	15210	2127 ECCLES ST #81
PA-28-P001-022	15210	2133 ECCLES ST #82
PA-28-P001-022	15210	2135 ECCLES ST #83
PA-28-P001-022	15212	223 CARRINGTON ST #84
PA-28-P001-022	15212	225 CARRINGTON ST #85
PA-28-P001-022	15212	227 CARRINGTON ST #86
PA-28-P001-022	15212	229 CARRINGTON ST #87

PA-28-P001-038

PA Number	Zip	Address
PA-28-P001-038	15207	926 JOHNSTON AVE #259
PA-28-P001-038	15207	930 JOHNSTON AVE #260

PA-28-P001-039

PA Number	Zip	Address
PA-28-P001-039	15226	738 WOODBOURNE AVE #3
PA-28-P001-039	15210	700 LILLIAN ST #4
PA-28-P001-039	15216	1512 ROCKLAND AVE #6
PA-28-P001-039	15201	4290 COLERIDGE ST #7
PA-28-P001-039	15216	2724 STRACHAN ST #8
PA-28-P001-039	15206	27 PENN CIRCLE WEST #9
PA-28-P001-039	15211	447 SWEETBRIAR ST #10
PA-28-P001-039	15211	449 SWEETBRIAR ST #11
PA-28-P001-039	15211	453 SWEETBRIAR ST #12
PA-28-P001-039	15211	455 SWEETBRIAR ST #13

PA-28-P001-039	15204	3828 MERLE STREET #15
PA-28-P001-039	15226	2010 PIONEER AVE #16
PA-28-P001-039	15211	116 WILBERT ST #17
PA-28-P001-039	15216	1318 ORANGEWOOD AVE #18
PA-28-P001-039	15210	2159 WHITED ST #19
PA-28-P001-039	15210	2161 WHITED ST #20
PA-28-P001-039	15226	958 NORWICH ST #21
PA-28-P001-039	15216	2367 SARANAC AVE #22
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PA-28-P001-039	15226	1676 PIONEER AVE #24
PA-28-P001-039	15216	2393 SARANAC AVE #25
PA-28-P001-039	15204	3740 MERLE ST #26
PA-28-P001-039	15226	517 ROSSMORE AVE #28
PA-28-P001-039	15210	2073 WALTON AVE #29
PA-28-P001-039	15201	1159 WOODBINE ST #30
PA-28-P001-039	15204	802 STANHOPE ST #31
PA-28-P001-039	15221	8331 VIDETTE ST #32
PA-28-P001-039	15216	1630 DAGMAR AVE #33
PA-28-P001-039	15208	114 N DALLAS AVE #34
PA-28-P001-039	15226	2216 WOODWARD ST #35
PA-28-P001-039	15204	2728 STAFFORD ST #36
PA-28-P001-039	15204	2730 STAFFORD ST #37
PA-28-P001-039	15221	1969 ROBINSON BLVD #38
PA-28-P001-039	15226	707 DUNSTER ST #39
PA-28-P001-039	15204	2736 MERWYN AVE #40
PA-28-P001-039	15204	2738 MERWYN AVE #41
PA-28-P001-039	15210	315 ROCHELLE ST #42
PA-28-P001-039	15212	1233 HODGKISS ST #43
PA-28-P001-039	15212	1219 MARSHALL AVE #44
PA-28-P001-039	15212	3851 HIAWATHA ST #45
PA-28-P001-039	15204	3176 LADOGA ST #48
PA-28-P001-039	15201	118 SCHENLEY MANOR DR #49
PA-28-P001-039	15208	7152 MCPHERSON BLVD #51
PA-28-P001-039	15219	512 MORGAN STREET #52
PA-28-P001-039	15204	1253 BERRY ST #53
PA-28-P001-039	15214	3527 COLBY ST #55
PA-28-P001-039	15206	5461 CLARENDON PL #57
PA-28-P001-039	15206	7216 MINGO ST #59
PA-28-P001-039	15201	4307 COLERIDGE ST #60

PA-28-P001-050

PA Number	Zip	Address
PA-28-P001-050	15216	1605 CANTON AVE #1
PA-28-P001-050	15216	1607 CANTON AVE #2
PA-28-P001-050	15216	1609 CANTON AVE #3
PA-28-P001-050	15216	1611 CANTON AVE #4
PA-28-P001-050	15216	1613 CANTON AVE #5
PA-28-P001-050	15216	1615 CANTON AVE #6
PA-28-P001-050	15207	4634 MONONGAHELA ST #7
PA-28-P001-050	15207	4632 MONONGAHELA ST #8
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PA-28-P001-050	15207	4626 MONONGAHELA ST #11

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PA-28-P001-050	15207	4616 MONONGAHELA ST #16
PA-28-P001-050	15207	4732 SYLVAN AVE #17
PA-28-P001-050	15207	4730 SYLVAN AVE #18
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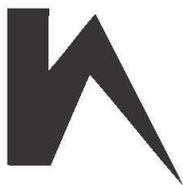
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PA-28-P001-051	15204	1214 1/2 STANHOPE ST #4
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PA-28-P001-051	15204	1113 FAULKNER ST #6
PA-28-P001-051	15204	1115 FAULKNER STREET #7
PA-28-P001-051	15204	1117 FAULKNER ST #8
PA-28-P001-051	15204	2703 SACRAMENTO AVE #9
PA-28-P001-051	15204	324 WYCKOFF AVE #10
PA-28-P001-051	15204	326 WYCKOFF AVE #11
PA-28-P001-051	15204	2649 GLASGOW ST #14
PA-28-P001-051	15204	2651 GLASGOW ST #15
PA-28-P001-051	15204	2700 SACRAMENTO AVE #16
PA-28-P001-051	15204	2702 SACRAMENTO AVE #17
PA-28-P001-051	15204	2704 SACRAMENTO AVE #18
PA-28-P001-051	15204	2706 SACRAMENTO AVE #19
PA-28-P001-051	15204	2708 SACRAMENTO AVE #20
PA-28-P001-051	15204	2710 SACRAMENTO AVE #21
PA-28-P001-051	15204	1208 FAULKNER ST #22
PA-28-P001-051	15204	1210 FAULKNER ST #23
PA-28-P001-051	15204	1212 FAULKNER ST #24
PA-28-P001-051	15204	1214 FAULKNER ST #25



MOVING *to* WORK

HOMEOWNERSHIP PROGRAM | PLAN and PROCEDURES



Amended September 24, 2020

**MOVING to WORK (MTW) HOMEOWNERSHIP PROGRAM
PLAN and PROCEDURES**

TABLE OF CONTENTS

DEFINITIONS.....3

I. INTRODUCTION.....4

II. PURPOSE.....4

III. OUTREACH.....4

IV. APPLICANT AND ENROLLMENT.....4

V. ELIGIBILITY.....5

A. FIRST-TIME HOMEOWNERS

B. MINIMUM INCOME REQUIREMENTS

C. WELFARE ASSISTANCE INCOME

D. EMPLOYMENT REQUIREMENTS

E. PRIOR MORTGAGE DEFAULT

F. PHA DEBTS

G. OWNERSHIP INTEREST

H. ELIGIBLE PROPERTIES

I. BUYERS ANNUAL RECERTIFICATION DATE

VI. PRE-HOMEOWNERSHIP ASSISTANT REQUIREMENTS.....7

A. HOMEOWNERSHIP COUNSELING

B. FIRST MORTGAGE APPROVALS

C. HOME PURCHASE AND SALES AGREEMENT

D. HOME INSPECTIONS

VII. FINANCING REQUIREMENTS.....8

A. GENERAL

B. FINANCING TERMS

C. DETERMINING AFFORDABILITY: BUYERS MONTHLY HOMEOWNERSHIP EXPENSE

D. DOWN PAYMENT

E. REFINANCING

VIII.	ASSISTANCE COMPONENTS.....	10
	A. ASSISTANCE COMPONENTS AVAILABLE PROGRAMS PARTICIPANTS	
	1. HOME WARRANTY AND CLOSING COST ASSISTANCE	
	2. FORECLOSURE PREVENTION FUND	
	3. SOFT SECOND DEFERRED PAYMENT FORGIVABLE MORTGAGE	
	4. SOFT SECOND SHARED APPRECIATION MORTGAGE	
	B. FINANCING WITH A SOFT-SECOND MORTGAGE CALCULATION	
	C. CALCULATING SOFT MORTGAGE ELIGIBILITY USING THE HOUSING ASSISTANCE PAYMENT	
	D. THE HOMEOWNERSHIP WAITING LIST	
	E. PORTABILITY	
IX.	TENANT/BUYER SELECTION FOR VACANT HACP SCATTERED SITE HOMES.....	15
	A. TENANT/BUYER NOTIFICATION	
	B. TENANT/BUYERS NOT SELECTED FROM BUYER'S LIST	
	C. TENANT/BUYER FAILS TO COMPLY WITH SALES AGREEMENT	
X.	HACP OCCUPIED SCATTERED SITE TENANT/BUYER SELECTION.....	16
	A. OCCUPIED SCATTERED SITE	
XI.	HOPE VI.....	16
XII.	RECAPTURE OF HOMEOWNERSHIP ASSISTANCE.....	16
XIII.	BUYERS FILE.....	17
XIV.	ACCOMMODATIONS FOR PERSONS WITH A DISABILITY.....	17
XV.	HACP CONVERTIBLE BRIDGE LOAN.....	17
	A. PURPOSE	
	B. BENEFITS OF THE PROPOSED EXPANSION	
	C. PARTNER SELECTION/ PURCHASE RESALE ENTITY (PRE) REQUIREMENTS	
	D. BRIDGE/ DEVELOPMENT LOAN TERMS	
XVI.	BRIDGE LOAN ADMINISTRATION AND IMPLEMENTATION PLAN.....	22
	A. STAFFING	
	B. IMPLEMENTATION TIMELINE	

MOVING to WORK (MTW) HOMEOWNERSHIP PROGRAM PLAN and PROCEDURES

DEFINITIONS

As used herein, the following terms not otherwise defined herein shall have the following meanings:

- 1) “Buyer” shall mean a Homeownership Program participant who has obtained a mortgage pre-approval letter from a lender.
- 2) “Buyer’s annual recertification date” shall mean the date the buyer obtains a lender’s mortgage pre-approval.
- 3) “Buyer’s List” shall mean the list signed by two or more eligible buyers who are interested in purchasing the same HACP owned property.
- 4) “First-time homeowner” shall mean that no family member of the household owned any present ownership interest in a residence of any family member during the three years preceding commencement of homeownership assistance.
- 5) “Gross Aid Standard” means the standard utilized to determine the supplement to the income of a low income household to enable the buyer to purchase standard quality housing in the private marketplace.
- 6) “Qualified Mortgage” shall be insured by FHA, Guaranteed by VA, or funded by Fannie Mae, Freddie Mac, or other governmental entity, state or local housing finance agency, nonprofit organization, or a regional Federal Home Loan Bank under one of its affordable housing programs.
- 7) “Soft-second mortgage Calculation” shall mean the calculation used to estimate a non-paying interest free second mortgage loan offered to eligible public housing Program participants. The amount of the soft-second mortgage is reduced 10 percent (10%) a year over a ten-year period.
- 8) “Homeownership Expense Payment” consists of the principal, interest, taxes, and insurance (PITI) associated with first mortgage debt along with the corresponding monthly utility allowance for unit size, maintenance expense, and major repairs in accordance with 24 CFR 982.635 C2.
- 9) “Total Family Payment” or “TFP” means that portion of the homeownership expense that the family must pay. It is generally thirty percent (30%) of the family’s adjusted income, plus any difference between the payment standard and the actual housing cost.
- 10) “Subordination” prioritizes collateralized debt, ranking one behind another for purposes of collecting repayment from a debtor.

I. INTRODUCTION

The Housing Authority of the City of Pittsburgh (HACP) operates a Moving To Work (MTW) Homeownership Program (the "Program") for current Low-Income Public Housing (LIPH) residents, Housing Choice Voucher (HCV) holders, or those eligible to receive LIPH and/or HCV assistance who desire to purchase their first home and primary residence within the City of Pittsburgh. In addition to other benefits, the HACP will offer a deferred payment Soft Mortgage based upon a payment calculation as defined in Section VIII. part C. Eligible participants will be placed on the HACP Homeownership Waiting List for home purchase based on the date of their mortgage pre-approval letter from an approved lender.

II. PURPOSE

The specific objectives of the Program are:

- Expanding homeownership opportunities for low-income families and families having members with disabilities.
- Providing an opportunity for first-time low-income homebuyers to purchase a single-family home within the City of Pittsburgh.
- Encouraging HACP families to acquire appreciable assets and move toward the goal of economic self-sufficiency and eventual independence from government assistance programs.

III. OUTREACH

Outreach will be conducted by the HACP's Homeownership Office to encourage participation in the Program. Informational flyers and brochures as well as the web site <http://www.hacp.org/housing-options/home-ownership> have been developed to target those persons interested in participating in the Program. The Program will also be promoted by the Resident Self-Sufficiency (RSS) Department through its newsletters and referrals by Service Coordinators. The HACP will also highlight the program periodically in other agency publications such as the "News and Views".

IV. APPLICATION AND ENROLLMENT

Interested persons may apply to participate in the Program by contacting a Department of Housing and Urban Development (HUD)-approved housing counseling agency to enroll in the required homeownership education class. Participants will receive initial assessments of their credit rating provided by the HUD-approved education and credit counseling service provider.

The HACP will consider the participant enrolled in the Program on the date the participant completes the required homebuyer education class and satisfies the HACP eligibility requirements as outlined in Section V. The HUD approved education provider shall issue a certificate of satisfactory completion to each participant and maintain a copy of the certificate on file. The HACP will consider the participant a "buyer" when the participant obtains a loan pre-approval letter.

V. ELIGIBILITY

Program participants must meet one of the following four (4) criteria:

- Be a current Low-Income Public Housing (LIPH) resident;
- Be a Housing Choice Voucher (HCV) resident;
- Be a person who is on the HACP waitlist for LIPH or HCV who has received an eligibility letter from HACP's Occupancy Department for the HCV or LIPH Program;
- In the event that either waitlist is closed, a non-resident must be otherwise eligible to receive HCV or LIPH assistance as determined by HACP's Occupancy Department in order to participate in the Program. Non-residents must receive an eligibility letter from HACP's Occupancy Department for Homeownership Purposes only. An appointment will be arranged for non-residents with the HACP's Occupancy department after their participation in homeownership counseling and first mortgage pre-approval have been verified (see Section VII. below).

The following additional eligibility requirements for participation in the Program shall also apply:

A. FIRST-TIME HOMEOWNER:

Each LIPH and HCV waiting list or otherwise eligible family must be a first-time homebuyer. A first-time homeowner means that no family member of the household owned any present ownership interest in a residence of any family member during the three (3) years preceding commencement of homeownership assistance. However, a single parent or displaced homemaker who, while married, owned a home with his/her spouse (or resided in a home owned by a spouse) is considered a "first-time homeowner" for purposes of the Program.

If the HACP determines that a family member with a disability requires homeownership assistance as a reasonable accommodation, the first-time homeowner requirement may not apply.

B. MINIMUM INCOME REQUIREMENTS:

At the time the family obtains a mortgage pre-approval letter, the head of household, spouse, and/or other adult household members who will purchase the home must have a minimum gross annual income of \$17,000 per year.

A family whose head, spouse or sole member is a person with a disability may be exempt from the minimum income requirement provided there exists a sufficient combination of monthly household income and initial down payment money to satisfy the lending institution's pre-approval requirements for the purchase of the property and all other applicable HACP requirements relating to eligibility are met.

C. WELFARE ASSISTANCE INCOME:

Welfare assistance income shall be included only for those adult elderly or families with members having disabilities who will own the home. Stated otherwise, with the exception of elderly and families with members having disabilities, the HACP will disregard any "welfare assistance" income in determining whether the family meets the minimum income requirement. Welfare assistance includes assistance from Temporary Assistance for Needy Families (TANF); Supplemental Security Income (SSI) that is subject to an income eligibility test; food stamps; general assistance; or other welfare assistance defined by HUD. The disregard of welfare assistance income shall affect the determination of minimum monthly income in determining eligibility for the Program.

D. EMPLOYMENT REQUIREMENTS:

With the exception of families having members with disabilities and elderly households, each family must demonstrate that one or more adult members of the family who will own the home at commencement of homeownership assistance is employed full-time (an average of thirty (30) hours per week). Families with one (1) or more members who are self-employed shall be eligible under this section if they meet all other requirements as stated herein.

The HACP will also consider an interruption of employment of no more than one (1) month during the prior one (1) year as meeting the definition of "full time employment" if the employed family member has been continuously employed for a period of at least one (1) year prior to the interruption and is currently employed at the time of the execution of the sales agreement.

E. PRIOR MORTGAGE DEFAULT:

The HACP will not approve a homeownership sales agreement where the head of household, the head of household's spouse or other adult member of the family defaulted on a mortgage loan within the previous three (3) years. Such actions will render the family ineligible to participate in the Program.

F. PHA DEBTS:

Prospective participants in the Program shall be ineligible for participation in the Program if they owe any debt or portion of a debt to the HACP or any other PHA (Public Housing Authority). Except as provided in HACP's Admissions and Continued Occupancy (ACOP) Policy and HCV Program Administrative (Admin) Plan, nothing in this provision will preclude participants who have fully repaid such debt(s) from participating in the Program.

G. OWNERSHIP INTEREST:

Except for cooperative members who have acquired cooperative membership shares at the commencement of homeownership assistance, no family member may have a present ownership interest in a residence at the commencement of participation in the homeownership program.

This requirement does not apply to the family's right to purchase title to the residence under a lease-purchase agreement. "Present ownership interest" means that no member of the household has had an "interest in a home", including title to a home in the past three (3) years.

H. ELIGIBLE PROPERTIES:

Eligible properties shall include residentially zoned single-family homes, row homes, condominiums and townhomes within the City of Pittsburgh. Multifamily or non-residential properties are ineligible. The HACP may sell existing scattered sites as identified on Exhibit A attached hereto to buyers within the Program. In the event a HACP scattered sites property is not sold through the Program, the property may be reoccupied for lease.

I. BUYER'S ANNUAL RECERTIFICATION DATE:

The date the buyer obtains a lender's mortgage pre-approval letter shall be the program participant's annual recertification date for purposes of calculating homeownership assistance amounts. The annual recertification date will be used to calculate the HACP's assistance benefits and/or soft-second mortgage amount. The lender or the HACP shall verify the buyer's income and employment status during the mortgage pre-approval process and the lender shall provide buyer's income and employment status to the HACP upon request. If a buyer's income increases or declines subsequent to a lender issuing a mortgage pre-approval letter, the HACP at its discretion may require recalculation of assistance amounts.

VI. PRE-HOMEOWNERSHIP ASSISTANCE REQUIREMENTS

A. HOMEOWNERSHIP COUNSELING:

Before a family is eligible for homeownership, the family must attend and successfully complete a pre-assistance HUD approved homeownership and housing counseling program. Such homeownership and housing counseling program will be provided or approved by the HACP prior to the commencement of assistance and will include instruction relating to home maintenance; budgeting and money management; credit counseling; negotiating purchase price; securing mortgage financing and loan approvals; finding a home including information about schools and transportation; fair housing laws and local enforcement agencies; the advantages of purchasing and locating homes in areas that do not have a high concentration of low-income families; and the Real Estate Settlement Procedures Act; state and Federal truth-in-lending law; and how to avoid loans with oppressive terms and conditions.

B. FIRST MORTGAGE PRE-APPROVALS:

Upon completion of the Homeownership Counseling Program, the participant is to complete a mortgage pre-approval application to determine if they qualify for a first mortgage. Participant is to provide the HACP with a first mortgage pre-approval letter and closing cost estimate which will detail the cost associated with obtaining the mortgage. The HACP requires tenant buyers to request a mortgage pre-approval letter and closing cost estimate that reflects the highest amount of first mortgage they are eligible to receive.

C. HOME PURCHASE AND SALES AGREEMENT:

Participants in the Program will be required to locate and purchase a home or execute a contract of sale or lease purchase a home, within the limits of the City of Pittsburgh. “Homeownership eligibility” begins on the date when the buyer has obtained a mortgage pre- approval letter and completed the approved homebuyer education class. It is the responsibility of the buyer to notify and discuss the sales transaction with the HACP prior to the buyer signing an agreement of sale to remain eligible for Homeownership Program benefits.

D. HOME INSPECTIONS:

The buyer shall select and pay for an independent professional inspection in accordance with the sales agreement. Such independent inspectors must be qualified by the American Society of Home Inspectors (ASHI) or possess equivalent credentials acceptable to the HACP. The independent inspectors must furnish a copy of the inspection results to both the buyer and the HACP. The HACP must review the independent inspector’s report and determine whether to go forward or terminate the sales agreement based upon its review.

A contingency clause in the sales agreement must provide that the buyer is not obligated to pay for any necessary repairs. The buyer is prohibited from directly making repairs at their own expense prior to closing. HACP, in its sole discretion, may advise buyers to request the seller to cure essential deficiencies found in the inspection report. If an agreement cannot be reached between the buyer and seller, the HACP may then advise the buyer to terminate the sales agreement. If the Seller is the HACP, then the HACP, in its sole discretion, may pay for any deficiencies found in the inspection report or the HACP may terminate the sales agreement. Similarly, the buyer has the right to cancel the sales agreement without penalty if the HACP is unwilling to make all necessary repairs cited in the inspection.

VII. FINANCING REQUIREMENTS

A. GENERAL:

The HACP may not require participants to use a certain lender or a certain type of financing. However, financing for purchases under this Program must generally comply with secondary mortgage market requirements. The HACP will only approve a fixed interest rate “Qualified Mortgage” provided by a lender. A Qualified Mortgage shall be insured by FHA, Guaranteed by VA, or funded by Fannie Mae, Freddie Mac, or other governmental entity, state or local housing finance agency, nonprofit organization, or a regional Federal Home Loan Bank under one of its affordable housing programs. The HACP will not approve any lending practices that it determines, in its reasonable discretion, to be abusive or predatory including loans offered at a rate above Prime to individuals who do not qualify for Prime Rate loans, i.e., subprime loans. Seller financing will be on a case-by-case basis, including instances where the HACP or nonprofit organization is the seller. It is the goal of the Program for participants to utilize all other assistance for which they are eligible prior to receiving assistance from this Program.

If the HACP is the seller, then the Program may provide for below-market purchase prices or below-market financing to facilitate below-market purchases. Discounted purchase prices may

be determined on a unit-by-unit basis, based on the particular buyer's ability to pay, or may be determined by any other fair and reasonable method. Below-market financing may include any type of public or private financing, including but not limited to purchase-money mortgages, non-cash second mortgages, promissory notes, guarantees of mortgage loan from other lenders, shared equity, land installment contract or lease-purchase arrangements.

B. FINANCING TERMS:

The proposed loan terms must be submitted to and approved by the HACP and the HACP will determine, in its sole discretion, the affordability of the family's proposed loan terms and whether they are appropriate in view of current market conditions. Participants are required to provide the HACP with a copy of their loan application also known as the Uniform Residential Loan Application (URLA)/ Fannie Mae form 1003 so that this determination can be made. If a mortgage is not funded by Fannie Mae or Freddie Mac or FHA-insured, or VA-guaranteed, the HACP may require lenders to comply with generally accepted mortgage underwriting standards consistent with HUD/FHA, Fannie Mae, Freddie Mac, RHS, or the Federal Home Loan Bank requirements. Seller financing will be reviewed on a case-by-case basis.

C. DETERMINING AFFORDABILITY: BUYER'S MONTHLY HOMEOWNERSHIP EXPENSE:

The HACP will determine, in its sole discretion, the affordability of the family's proposed loan terms and whether they are appropriate in view of current market conditions. In making such determination, HACP may take into account other family expenses, including but not limited to child care, unreimbursed medical expenses, and education and training expenses. The monthly expenses of Program Participants and those who are listed on the lender's mortgage application should not exceed a total estimated housing expenses debt ratio of thirty-five percent (35%) of the combined gross monthly income of adult members of the household. The housing debt expense should include mortgage principal, mortgage interest, property taxes, homeowner's insurance condominium or association fees, monthly capital improvement expense (\$20 per month), monthly maintenance expense (\$20 per month), and a monthly utilities estimate obtained from the most recent HACP Program utility allowance schedule for the appropriate unit type.

D. DOWN PAYMENT:

Buyers must contribute from their own funds at least one percent (1%) of the net sales price of either a HACP owned property or a private market property. The family may use an Individual Development Account (IDA) or Family Self-Sufficiency (FSS) escrow account for their down payment. LIPH program participants who established homeownership "lease- purchase" accounts prior to January 1, 2007, may utilize these accounts for their down payment.

E. REFINANCING:

No buyer while receiving HACP second mortgage assistance may refinance their mortgage(s) or incur additional debt secured by the home without the prior written approval of HACP. Upon a written request, the HACP should consider the subordination of its mortgage(s) on a case- by- case basis. Refinancing proposals must not seriously impact the affordability of the property or security of the public investment. Refinance subordination reviews will be of the following criteria.

1. The participants must document an identified reasonable need to lower monthly payments/interest rate, change the mortgage product. The borrower can only receive “cash-out” for home improvement loans, emergency non-insured property damage, or non-insured medical expenses. Any other “cash-out” requests, including but not limited to, bill consolidation loans, line of credit, future advance, personal loans, medical collections, other mortgages or encumbrances or liens will not be considered.
2. The participant must continue to occupy the home as their primary residence until the term of the HACP mortgage expires and a mortgage satisfaction is granted.
3. Property taxes on the subject property or any other property must not be delinquent.
4. In any case, the HACP will only subordinate once during the term of the loan and only to a second position unless HACP’s position was 3rd position at the commencement of the HACP loan.

VIII. ASSISTANCE COMPONENTS

A. ASSISTANCE COMPONENTS AVAILABLE TO PROGRAM PARTICIPANTS:

1. HOME WARRANTY AND CLOSING COST ASSISTANCE

The maximum amount of financial assistance is \$8,000 for home warranty and closing costs assistance.

The HACP may approve the prepayment of a home warranty for a property prior to closing. It is the responsibility of the tenant/buyer to provide the HACP with a written quotation from the vendor for these services prior to closing. Subject to budgetary constraints, the HACP may pay closing costs one time per buyer and if a buyer fails to close on their sales agreement, buyer is not eligible to receiving additional closing costs assistance for a new sales agreement for one (1) year.

2. FORECLOSURE PREVENTION FUND:

The maximum amount of financial assistance is \$3,000 for foreclosure prevention.

In the event a buyer defaults on their mortgage and receives notice of default by their lender within five (5) years of their closing date, they receive up to six (6) months of HACP mortgage assistance if they apply for and comply with all requirements of the Pennsylvania Homeowners’ Emergency Mortgage Assistance Program (HEMAP). As a Program safeguard, if in the event 10% or more of program buyers default upon their mortgage(s), Section VII C will be amended to decrease the maximum buyer debt ratio for new buyers to thirty-percent (30%) of gross monthly income.

3. SOFT SECOND DEFERRED PAYMENT FORGIVABLE MORTGAGE:

The maximum forgivable deferred payment soft-second mortgage is \$ 52,000.

Subject to budgetary constraints, the HACP may provide a forgivable soft-second mortgage

financing to eligible participants. Such financing shall be secured in most cases by a second mortgage (the “Second Mortgage”). However, in some cases, the HACP mortgage will be recorded as a third mortgage subordinate to mortgages securing bank and other government financing provided, for example, by the Urban Redevelopment Authority (URA) of Pittsburgh.

The HACP will subordinate to both the 1st mortgage lender and Pittsburgh’s Urban Redevelopment Authority in the event that a participant qualifies to receive an additional deferred soft second mortgages from the URA. If the participant is eligible to receive additional, second deferred payment mortgages not provided by the first mortgage Lender or the HACP they must utilize the full amount of the additional mortgage prior to utilizing HACP’s. The HACP’s forgivable soft second mortgage in no case shall exceed \$52,000. The forgivable second mortgage is forgiven on a prorated basis over a ten-year period. In the event a first or second mortgage does not exist, the HACP’s mortgage will be recorded as a first mortgage.

This means in the event a participant qualifies for a deferred payment soft second mortgage the HACP may exercise the authority to require the participant to reduce the 1st mortgage amount accepted from the bank by an amount specified by the HACP in order to achieve a lower Homeownership Expense Payment. The HACP may also provide a soft mortgage to increase the buyers purchase capacity as appropriate in view of current market conditions.

4. SOFT SECOND SHARED APPRECIATION MORTGAGE:

Deferred mortgage funds in excess of \$52,000 will be subject to the terms of a Shared Depreciation Mortgage (SAM).

Subject to budgetary constraints, the HACP may provide additional soft-second mortgage financing in excess of \$52,000 to eligible participants. Such financing shall be secured in most cases by a third mortgage (the “Third Mortgage”). However, in some cases, the HACP mortgage will be recorded as a fourth mortgage subordinate to mortgages securing bank and other government financing provided, for example, by the Urban Redevelopment Authority (URA) of Pittsburgh. The HACP will subordinate to both the 1st mortgage lender and Pittsburgh’s Urban Redevelopment Authority in the event that a participant qualifies to receive an additional deferred soft second mortgages from the URA. If the participant is eligible to receive additional, second deferred payment mortgages not provided by the first mortgage Lender or the HACP they must utilize the full amount of the additional mortgage prior to utilizing the HACP’s. In the event a first or second mortgage does not exist, the HACP’s mortgage will be recorded as a first mortgage.

In the event that the HACP provides soft second mortgage assistance exceeding \$52,000 the terms of the excess assistance amount shall be under a payment Shared Appreciation Mortgage (SAM). The SAM will recapture the portion of second deferred mortgage assistance in excess of \$52,000 in proportion with the re-sale net profit that the excess funds above \$52,000 financed in the initial purchase. The deferred payment forgivable feature of the soft second mortgage will still remain for soft second loan amounts at or below \$52,000, but for assistance amounts above \$52,000 a portion of the loan in excess of \$52,000 can be re-captured by the HACP upon resale of the property in proportion with the net gain experienced from the initial SAM portion of the assistance.

Example:

Financing Structure

Sales Price:	\$200,000
Down Payment	\$ 2,000 (Participant Portion 1% if sales price per MTW Policy)
Down Payment	\$ 4,000 (remaining 2% from DPA, buyer, gift, IDA, etc.)
1st Lender	\$110,000
(HACP Forgivable)	\$ 52,000 Forgivable Portion
(HACP SAM)	\$ 32,000 SAM Portion
HACP Total	\$ 84,000 HACP total mortgage(s)

Proration Calculation

\$32,000 HACP SAM financed / \$200,000 Sales Price = 16% rate of proration

Proration Application

Resale Price	Pro-Ration Rate	HACP Recapture
\$180,000	x.16	\$28,800 (sold at a loss)
\$200,000	x.16	\$32,000
\$220,000	x.16	\$35,200

B. FINANCING WITH A SOFT-SECOND MORTGAGE CALCULATION:

The Homeownership Expense includes principal, interest, taxes, Homeowners insurance, mortgage insurance premium if required (PITI); this information will be obtained from the Lenders pre-approval and Closing Cost Estimate. In addition to these expenses a monthly utility allowance, routine home maintenance allowance, and major repairs allowance, are also a part of the Homeownership Expense. If the first mortgage Lenders proposed (PITI) payment causes participants estimated Homeownership Expense ratio to exceed thirty-five percent (35%) of gross monthly income the HACP provide a soft-second mortgage to lower the buyers monthly debt obligation to the lender. This means in the event a participant qualifies for a deferred payment soft second mortgage the HACP may exercise the authority to require the participant to reduce the 1st mortgage amount accepted from the bank by an amount specified by HACP in order to achieve a lower Homeownership Expense Payment. The HACP may also provide a soft mortgage to increase the buyers purchase capacity as appropriate in view of current market conditions.

The Homeownership Expense includes principal, interest, taxes, Homeowners insurance, mortgage insurance premium if required (PITI); this information will be obtained from the Lenders pre-approval and Closing Cost Estimate. In addition to these expenses a monthly utility allowance, routine home maintenance allowance, and major repairs allowance, are also a part of the Homeownership Expense.

If the first mortgage Lenders proposed (PITI) payment causes participants estimated Homeownership Expense ratio to exceed thirty-five percent (35%) of gross monthly income the HACP may provide a soft-second mortgage to lower the buyer's monthly debt obligation to the lender. The HACP may also provide a soft- second mortgage to increase the buyers purchase capacity as appropriate in view of current market conditions.

C. CALCULATING SOFT – SECOND MORTGAGE ELIGIBILITY USING THE HOUSING ASSISTANCE PAYMENT:

The HACP Second Mortgage loan amount shall be determined and calculated by using the Housing Assistance Payment which is equal to the lower of the payment standard or the actual monthly Homeownership Expense Payment for the unit minus the Total Tenant Payment (TTP). The Homeownership Program will use the currently in effect Housing Choice Voucher Payment Standard.

The Utility Allowance for the unit will be determined using a monthly utilities estimate obtained from the most recent HACP Housing Choice Voucher Program Utility Allowance schedule for Tenant Furnished Utilities for the appropriate unit size. Standard Utility Allowances for detached house type assumes natural gas heating, natural gas cooking, other electric (lights and appliances), air conditioning, natural gas water heating, water, sewer, trash, tenant supplied range and refrigerator. The Gross Aid Standard is obtained from the most recent HACP Section 8 Housing Choice Voucher Program Voucher Payment Standards.

- Deferred payment mortgage loan amount calculation for a buyer: Homeownership Expense

Payment or Voucher Program Payment Standard for unit size (whichever is less) minus the Total Tenant Payment (TTP) x 12 months x 10 years = maximum Second Mortgage loan amount. Loan amounts at or below \$52,000 will be issued under the terms of the deferred payment forgivable soft second mortgage. Loan amounts above \$52,000 will be issued under the terms of the forgivable soft second mortgage for the first \$52,000 of subsidy but the excess amount above \$52,000 will be under SAM terms.

- The deferred payment mortgage loan amount calculation above shall be determined during buyer's loan pre-approval process and participant will be provided a written estimated soft mortgage eligibility and soft mortgage eligibility amount. The notice will also advise whether the soft mortgage is to be applied to decrease the 1st mortgage debt obligation and/or increase purchase capacity. This notice will also advise what amount of eligible assistance can be utilized in the form of a forgivable softs second mortgage, Shared Appreciation soft second mortgage. This notice is to be shared with the buyer's prospective lender and/or Real Estate agent prior to buyer selecting a home to purchase.
- Prior to submitting a sales agreement to the seller to purchase a home the buyer must provide a copy of the sales agreement to the HACP for review. The HACP Homeownership participants must utilize a licensed professional to assist with their purchase transaction including but not limited to, the drafting of their sales contract.
- The HACP will issue a final approval notice advising of amount of assistance the buyer is to receive based on the selected Property and cost associated with the purchase. After the primary lender has made a mortgage loan commitment in accordance with the buyer's sales agreement, the buyer is not eligible to request or have the HACP recalculate the buyer's HACP Second Mortgage amount.
- The HACP Soft Forgivable Mortgage shall be reduced each month (1/120) by the amount (eligible monthly MAP) used in the Loan Amount Calculation above; provided that, buyer remains in good standing in the Program, continues to occupy the property as their primary residence, and is not in default under the mortgage. In the event of a mortgage default or if the buyer is no longer residing in the home, any further HACP Second Mortgage debt reduction shall occur while such default or non-occupancy condition continues. The buyer in this program who defaults on their mortgage will not be eligible for housing assistance through the HACP (or through any HUD funded housing assistance program) until the outstanding obligation on the HACP 2nd mortgage has been satisfied.
- Once a buyer completes a home purchase, interim and monthly re-certifications of income and annual Housing Quality Standard (HQS) inspections are no longer required.

Note: Program participants who established homeownership 'lease-purchase' accounts prior to January 1, 2007 may utilize such accounts towards their down payment or closing costs.

D. THE HOMEOWNERSHIP WAITING LIST:

A participant's position on the Homeownership Program Waiting List will be determined by the date of their pre-approval letter that they have obtained from a bank.

The participant will have sixty (60) days from the date of their mortgage pre-approval letter to execute a sales agreement on the property of their choice and provide the HACP with a copy of the sales agreement.

The participant/buyer must have a settlement within ninety (90) days from the date that the mortgage application package is submitted to underwriting.

Persons failing to sign a sales agreement, complete a mortgage application in a timely manner as per the sales agreement, or reach settlement within the allotted time period will be removed from the list. Participants can get a new pre-approval letter and will be put back on the list based on the new date of the new pre-approval letter.

Anyone on the Homeownership Waiting List when annually budgeted funds become exhausted will remain on the list for the subsequent budget year. If a participant/buyer does not meet the stated deadlines for performance in the program, the HACP will review on a case by case basis to determine if and what remedies are available to assist in the completion of the transaction.

E. PORTABILITY:

A current HCV Program family who qualifies for homeownership assistance may Port to another jurisdiction and purchase a home outside the HACP's jurisdiction through another PHA's program, provided the receiving PHA is administering a homeownership program, is accepting new families into its homeownership program, and considers the family eligible based upon the receiving PHA's eligibility requirements. Participants porting to other jurisdictions are not eligible for Homeownership Program Assistance from the HACP.

IX. TENANT/BUYER SELECTION FOR VACANT HACP SCATTERED SITES HOMES

Upon the HACP's approval to release for sale a HACP-owned property, as they become vacant, the Program staff collects applicants for a Buyer's List of interested mortgage pre-approved tenant buyers for each home address during a minimum of five (5) business days prior to HACP finalizing and closing the Buyer's List. The Buyer's List is to be utilized in the event two or more mortgage pre-approved applicant buyers desire to purchase the same property. A tenant buyer shall only be on one property Buyer's List or sign one sales agreement at a time. A buyer is only eligible to sign a Buyer's List if the tenant buyer's mortgage pre-approval letter states a loan amount that is at least equal to or exceeds the property net sales price after applying applicable discounts and other Program benefits. If there are no buyers for a vacant unit, the HACP may lease that unit as a standard LIPH scattered site rental unit to the next eligible family on the LIPH waiting list.

After collecting interested tenant/buyers for up to five (5) business days, HACP shall select from the Buyer's List the buyer based upon the following criteria:

- The date of their mortgage pre-approval letter shall be the first priority for the selection of any tenant/buyer that the HACP enters into a sales agreement from the property Buyer's List.
 - a) In the event that two (2) tenant/buyers have the same date on their mortgage pre-approval

letter, the HACP shall select the tenant/buyer based upon the tenant/buyer with a lower total debt-to-purchase price ratio.

- In the event that a home does not sell during its initial sales offering, the HACP may collect additional interested mortgage qualified tenant/buyers from either low income public housing residents or HCV holders for an additional five (5) business day period and form a new Buyer's List to repeat the buyer selection process at the HACP's discretion.

A. TENANT / BUYER NOTIFICATION:

The tenant/buyer who is selected by the HACP to enter into a property sales agreement shall be notified by the HACP and requested to execute a sales agreement.

B. TENANT / BUYER NOT SELECTED FROM BUYER'S LIST:

Once the HACP enters into a sales agreement with a tenant/buyer from the Buyer's List, the remainder of tenant/buyers not selected are released from this Buyer's List and are eligible to sign up for a new property Buyer's List.

C. TENANT / BUYER FAILS TO COMPLY WITH SALES AGREEMENT:

If the HACP enters into a sales agreement with a tenant/buyer and the tenant/buyer fails to fulfill the terms and conditions of the sales agreement, the tenant/buyer shall not be eligible to participate in the Program for one (1) year following the date of the sales agreement. If a tenant/buyer fails to complete the sales process and the tenant/buyer's sales agreement is terminated, the HACP will review the property Buyer's List and the Homeownership staff will offer the property to the next qualified buyer as outlined in the Tenant/Buyer Selection Process.

X. HACP-OCCUPIED SCATTERED-SITE TENANT/BUYER SELECTION

A. OCCUPIED SCATTERED SITE:

If an HACP public housing tenant is currently leasing a scattered site, the occupying tenant has the right of first refusal to purchase the scattered site property. If the current family leasing the unit chooses not to purchase the unit in which they reside but want to remain in good standing as a tenant, they may remain in the unit as leasing tenants. If an occupying tenant exercises the right of first refusal and fails to purchase the property, they may remain in the unit as a low income public housing tenant as long as they continue as a tenant in good standing. In no case shall a tenant participating in the homeownership program who fails to purchase a home gain any rights to their dwelling beyond those rights of a low-income public housing tenant.

XI.HOPE VI

No MTW Homeownership Program benefits may be applied to HOPE VI programs.

XII. RECAPTURE OF HOMEOWNERSHIP ASSISTANCE

The HACP does not participate in the recapture of home value appreciation unless a Shared Appreciation

Mortgage is issued for buyers eligible to receive additional soft mortgage amount in excess of \$52,000. In this event the HACP issues soft mortgage funds in excess of \$52,000 HACP may recaptured via a Shared Appreciation Mortgage instrument in proportion with the net gain experienced from the initial SAM portion of the assistance.

XIII. BUYER FILES

Buyer files should contain copies of the following items and be maintained by the HACP for a period of no less than ten (10) years following closing.

- a. Homebuyer education certificate from a HUD approved education provider
- b. Mortgage pre-approval letter from a lender
- c. Signed agreement of sale and purchase
- d. Buyer debt ratio calculation
- e. Buyers Uniform Residential Loan Application and are Loan Estimate when applicable
- f. Documentation that buyer meets HACP eligibility
- g. HACP financial checks issued to or on behalf of buyer
- h. Closing disclosure and/or ALT-A
- i. Home Inspection Report
- j. Second mortgage calculation
- k. Closing costs assistance form

XIV. ACCOMMODATIONS FOR PERSONS WITH A DISABILITY

The HACP is committed to ensuring the Program is accessible to persons with disabilities and will make outreach efforts to market the Program to such persons. The HACP will address requests from those persons with disabilities through its reasonable accommodation policy and procedure to assure equal access to the homeownership program.

XV. HACP CONVERTIBLE BRIDGE LOAN

A. PURPOSE:

The proposed expansion of the current, Housing Authority of the City of Pittsburgh (HACP) Homeownership Program is to provide Capital Fund assistance in the form of a short term bridge loan to designated partner agencies and organizations, demonstrating the practical capability to carry out the rehabilitation of their own acquired and/ or the HACP scattered -site units for the purpose of reselling the units to Homeownership Program Participants upon completion of the rehab. Upon the completed sale to the Homeownership Program Participant, The Bridge Loan will “pass-thru” to the Homeownership Program Participant in the form of a second deferred mortgage. Therefore, the funding originally issued to the partner to finance the rehab will convert to a write-down of the sales price under the provisions of the HACP’s Homeownership Program concerning the sale of scattered sites.

The write-down of the resale of the unit to Homeownership Program Participants will be equal to the Participant’s second mortgage determination but no more, than what was “bridged” to the Partner. If the Participant is determined to be eligible to receive more than what was bridged to the Partner, the HACP will make up the difference in the write-down amount by issuing the said

Participant a second deferred payment mortgage in addition to the write-down of sales price.

B. BENEFIT OF THE PROPOSED EXPANSION:

REDUCED RISK TO THE HACP:

- a. Develop for purchase housing at a low-cost;
- b. No acquisition cost to the HACP directly;
- c. No financing cost to the HACP unless the property is recaptured, and the loan used to finance development is assumed by the HACP.

EFFICIENT ALLOCATION OF RESOURCES:

- a. Produces affordable homeownership units with little to no increase to budgeted spending;
- b. Serve as a framework for future development;
- c. Safe disposition of Public Housing Units to Home Ownership.

RESULTS OF THE PROPOSED EXPANSION:

- a. Increases property tax revenues for the City of Pittsburgh;
- b. Increases the effectiveness of existing Home Ownership Programming;
- c. Strengthens the HACP's partnerships and position of being the highest, quality provider of affordable housing in the City of Pittsburgh;
- d. Permits the HACP to influence homeownership creation within current budget constraints while maintaining the current position of being the flagship agency providing real estate development services.

C. PARTNER SELECTION/ PURCHASE RESALE ENTITY (PRE) REQUIREMENT:

Section 32 permits the sale of units directly to Low-Income Public Housing (LIPH) or non-public housing residents or to a Purchase Resale Entity (PRE), which in turn must resell them to low-income households. If a PRE is used, the Homeownership Plan must include the firm's qualifications, marketing plan, and a description of that entity's responsibilities.

PARTNER/PRE CRITERIA:

1. LEGAL CAPACITY:

- a) Proven performance within contractual agreements;
- b) Sign a written agreement specifying the rights and responsibilities of the PHA and PRE;
- c) Provide assurances regarding compliance with the program;
- d) Produce evidence of adequate record-keeping and reporting.

2. PRACTICAL CAPABILITY:

- a) Track record of SFR rehabilitation within Davis/Bacon rules;
- b) Procurement & construction expertise;
- c) Provide limitations on PRE administrative, overhead, and compensation/profit;
- d) Implement deed restrictions on acquisition and resale of units.

3. GOAL AND MISSION SYNERGY:

- a) Encourages the growth of organizations capable of developing affordable;
- b) Agree to sell units only to low or moderate-income households. Agree to transfer ownership of units back to the HACF if the PRE cannot sell the units within five (5) years or less.

Potential Partners include Habitat for Humanity, the Hazelwood Initiative, and Pittsburgh Housing and Development Corporation.

D. BRIDGE / DEVELOPMENT LOAN TERMS:

LOAN AMOUNT: 25% of the project cost up to \$52,000 Term: up to 18 months, maybe extended for a maximum of 24 months

PAYMENT PROVISION: 0% interest during the term of loan satisfied upon sale of the unit to Program Participant

RECAPTURE: The HACP Unit may be recaptured by the HACP if there is no final sale within 60 months of Bridge Loan Agreement

SUBORDINATION: The HACP Bridge loan will be in 1st lien position, but will subordinate Lender financing which cannot exceed 50% of projected project cost and must be assumable by the HACP in the event of recapture from the PRE.

ADDITIONAL:

- Project costing \$208,000 or more is eligible for a full \$52,000 loan amount.
- The project must be approved by the loan committee. The affordability of the end product will be reviewed.
- The home must be sold to Program Participants within 18 months of loan issuance or the entire loan will become due to the HACP.
- Liquidity Test: the PRE must verify at least 25% of the total project cost in reserves

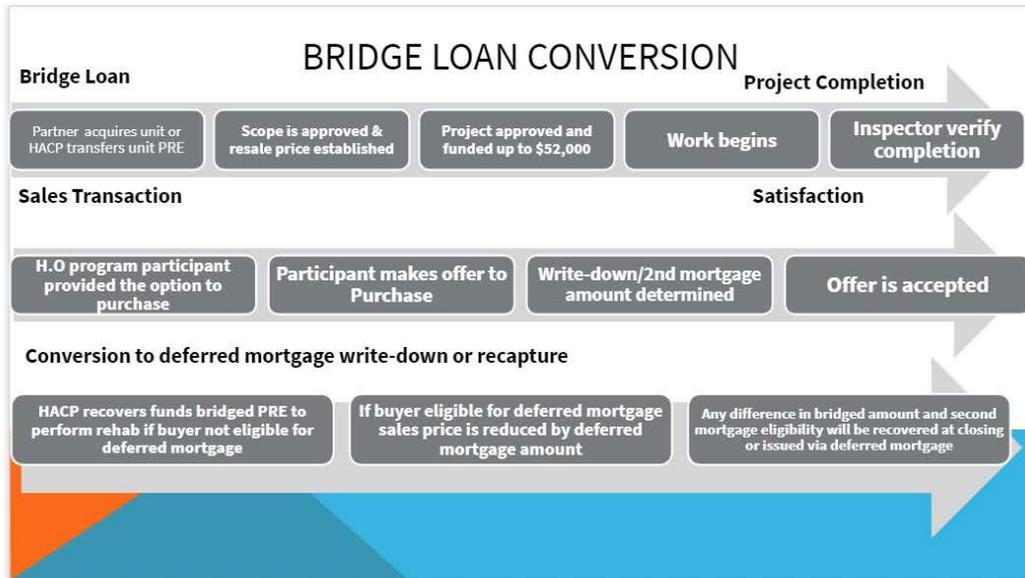
BRIDGE/ DEVELOPMENT LOAN CONVERSION:

- 1) The scope is developed, and resale price established by the review committee
- 2) Project approved and funded up to \$52,000
- 3) Partner acquires unit or the HACP transfers unit using partners PRE status
- 4) Inspector verify completion

PURCHASE TRANSACTION:

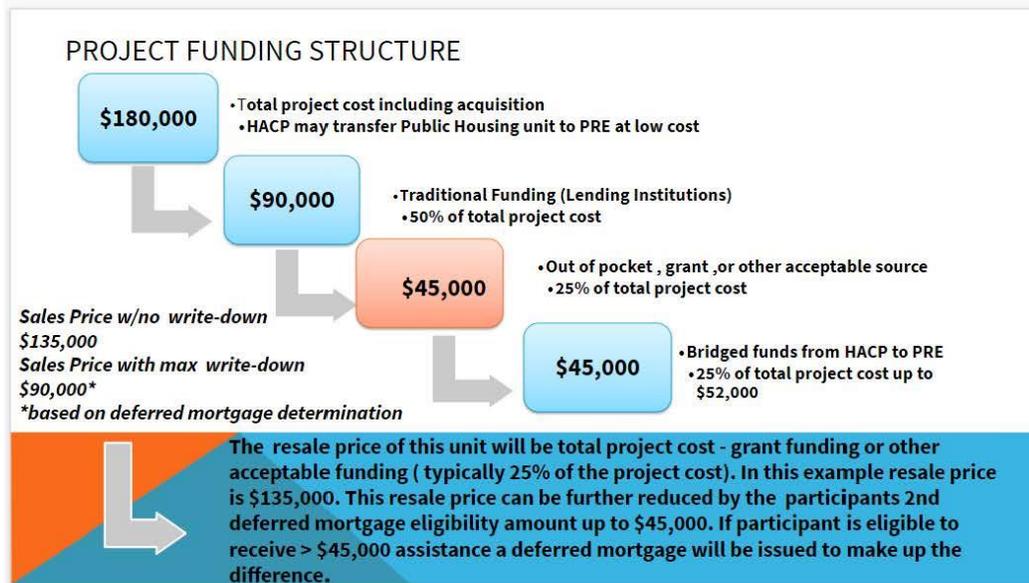
- 1) Home Ownership Program Participants provided the option to purchase
- 2) The Participant makes an offer to purchase the unit,
- 3) Write down and/or deferred mortgage amount determined
- 4) Partner accepts the offer
- 5) The Participant continues with the HACP Home Ownership Program step-by-step guide

Please note: Participants may or may not be eligible for a second deferred mortgage but they must have the purchasing capacity to purchase at the sales price - second mortgage eligibility.



E. EXAMPLE PROJECT FUNDING STRUCTURE :

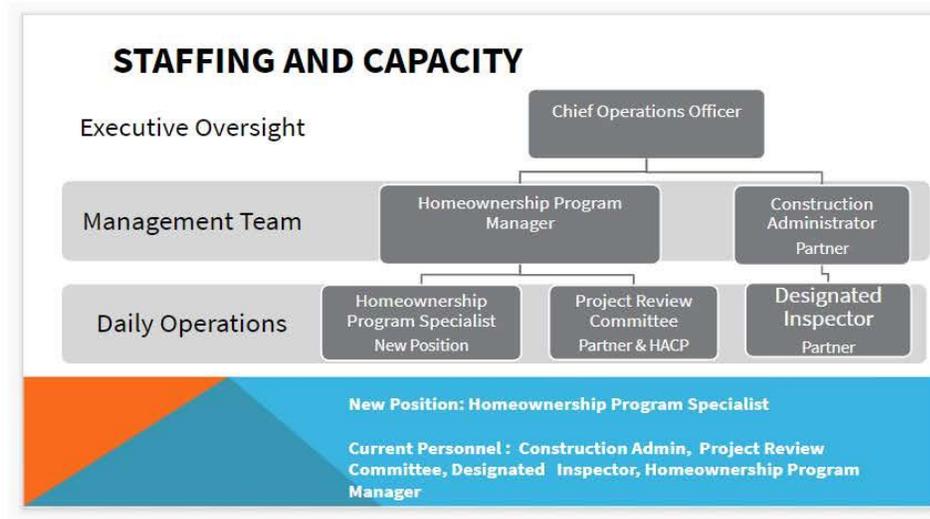
The resale price of this unit will be total project cost - grant funding or other acceptable funding (typically 25% of the project cost). In this example of a project costing \$180,000, the resale price is \$135,000. This resale price can be further reduced by the Participants' 2nd deferred mortgage eligibility amount up to the amount of the Bridge Loan issued to the partner. If the Participant is eligible to receive the amount bridged to the Partner additional assistance in the form of a deferred mortgage will be issued to make up the difference. If the Participant is eligible to receive less than the amount bridged to the Partner, the loan difference will be recovered by the HACP at the closing.



XVI. BRIDGE LOAN ADMINISTRATION AND IMPLEMENTATION PLAN:

A. STAFFING:

- New Position Homeownership Program Specialist
- Current Personnel Construction Admin, Project Review Committee, Designated Inspector, Homeownership Program Manager



B. IMPLEMENTATION TIMELINE:

- 1). **PROGRAM EXPANSION REVIEWED BY EXECUTIVE, LEGAL, AND FINANCE. (2-3 WEEKS)**
 - a) Board resolution in September 2020 to expand the Homeownership Program to include the origination of Development Bridge loans to PRE-Partners
- 2). **PARTNERS SELECTION PROCESS CREATED AND PERFORMED (UP TO 3 MONTHS)**
 - a) Construction admin and inspector responsibilities determined
 - b) Bride loan review committee appointed
 - c) Homeownership Specialist hired
- 3). **SITE SELECTION (EARLY 2021)**
 - a) Existing HACP and Partner inventory reviewed first
- 4). **PROGRAM LAUNCHED (1ST QTR. 2021)**
 - a) No outside acquisitions in the pilot period of 12 months