

Housing Opportunity Fund

Pittsburghers are Cost Burdened

1/3

Of Pittsburghers spend more than **30%** of their income on housing costs.

There is a Large Deficit in Affordable Housing

14,896

The citywide **deficit** of affordable units available to households earning 30% of the area median income

Source: Mullin & Lonergan Associates, Housing Needs Assessment, May 2016

2018 Income Limits

2018 INCOME LIMITS

Revised 5/14/2018

Effective:

PITTSBURGH MEDIAN INCOME: \$ 76,000 2018

\$ 72,600 2017

\$ 3,400.00 Increase

Household Size	Extremely Low	Very Low	Low						
	30%	50%	60%	80%	100%	115%	120%	140%	150%
1	\$16,000	\$26,600	\$31,920	\$42,800	\$ 53,200	\$ 81,200	\$ 83,840	\$ 74,500	\$ 79,800
2	\$18,250	\$30,400	\$36,480	\$48,650	\$ 60,800	\$ 69,950	\$ 73,000	\$ 85,150	\$ 91,200
3	\$20,550	\$34,200	\$41,040	\$54,750	\$ 68,400	\$ 78,700	\$ 82,100	\$ 95,800	\$ 102,600
4	\$22,800	\$38,000	\$45,600	\$60,800	\$ 78,000	\$ 87,400	\$ 91,200	\$ 106,400	\$ 114,000
5	\$24,650	\$41,050	\$49,260	\$65,700	\$ 82,100	\$ 94,400	\$ 98,500	\$ 114,950	\$ 123,150
6	\$26,450	\$44,100	\$52,920	\$70,550	\$ 88,200	\$ 101,400	\$ 105,800	\$ 123,500	\$ 132,250
7	\$28,300	\$47,150	\$56,580	\$75,400	\$ 94,250	\$ 108,400	\$ 113,100	\$ 131,950	\$ 141,500
8	\$30,100	\$50,200	\$60,240	\$80,300	\$ 100,350	\$ 115,400	\$ 120,400	\$ 140,500	\$ 150,500



Households earning less than \$25,000 in 2016

Source: PolicyMap

Shaded by: Census Tract

- Insufficient Data
- 11.46% or less
- 11.47% - 17.93%
- 17.94% - 25.14%
- 25.15% - 35.36%
- 35.37% or more



Households earning less than \$50,000 in 2016

Source: PolicyMap

Shaded by: Census Tract

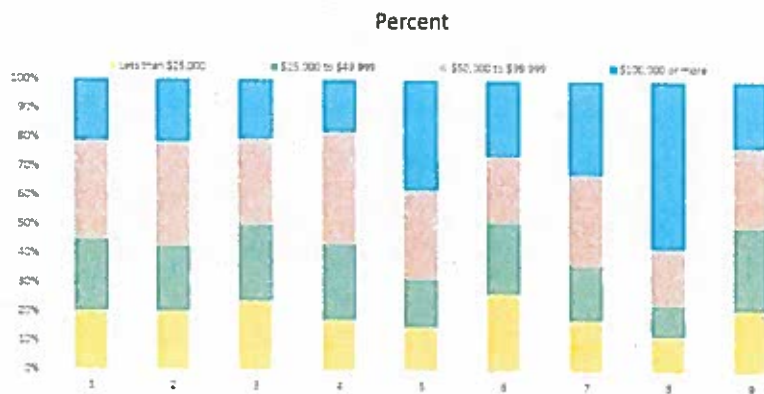
- Insufficient Data
- 29.52% or less
- 29.53% - 41.99%
- 42.00% - 52.89%
- 52.90% - 65.04%
- 65.05% or more

Adults Without Savings Accounts by District

Council District	Population Age 18+	Minimum number of adults without a savings account
1	26,816	14,141
2	27,404	12,907
3	32,773	14,478
4	29,225	13,193
5	29,019	11,246
6	29,126	16,339
7	30,480	12,629
8	32,707	11,258
9	25,710	14,871

Source: Esri

Owner Occupied Household Income by District



		Count								
		1	2	3	4	5	6	7	8	9
Household Income	Less than \$25,000	1,470	1,700	1,458	1,818	1,313	969	1,328	680	1,236
	\$25,000 to \$49,999	1,811	1,916	1,617	2,739	1,455	900	1,441	617	1,662
	\$50,000 to \$99,999	2,474	3,034	1,808	4,037	2,689	834	2,375	1,085	1,589
	\$100,000 or more	1,534	1,806	1,241	1,850	3,273	943	2,422	3,211	1,306
All owner occupied		7,289	8,456	6,123	10,445	8,730	3,646	7,566	5,593	5,793

Source: Census and geographic analysis

Mortgage Foreclosures

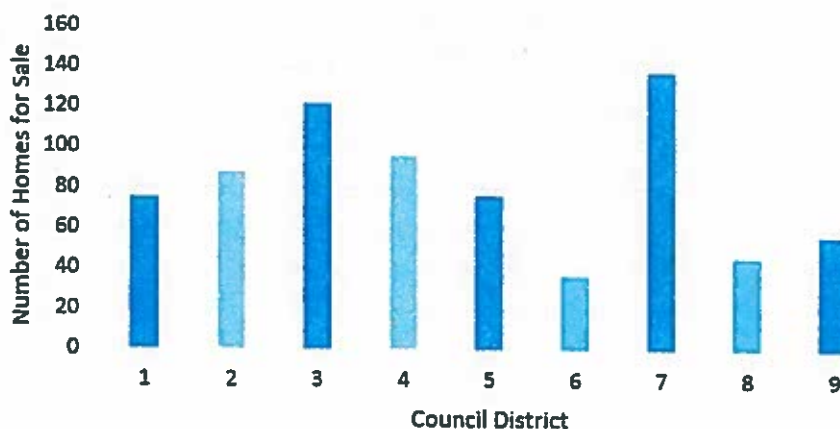
Mortgage Foreclosures January 2012 through August 2018

Council District	Foreclosures
1	925
2	1072
3	719
4	1165
5	516
6	537
7	529
8	125
9	732
Total	6320

Source: Allegheny County Mortgage Foreclosure Records, WPRDC

Active Residential Listings

Homes on Market - September 2018



Source: West Penn Multi-List

The Problem

- The Need for Affordable Housing is Increasing.
- The Costs to Develop New Units or Preserve Affordable Units are Increasing.
- And . . .

Public Resources are Decreasing.

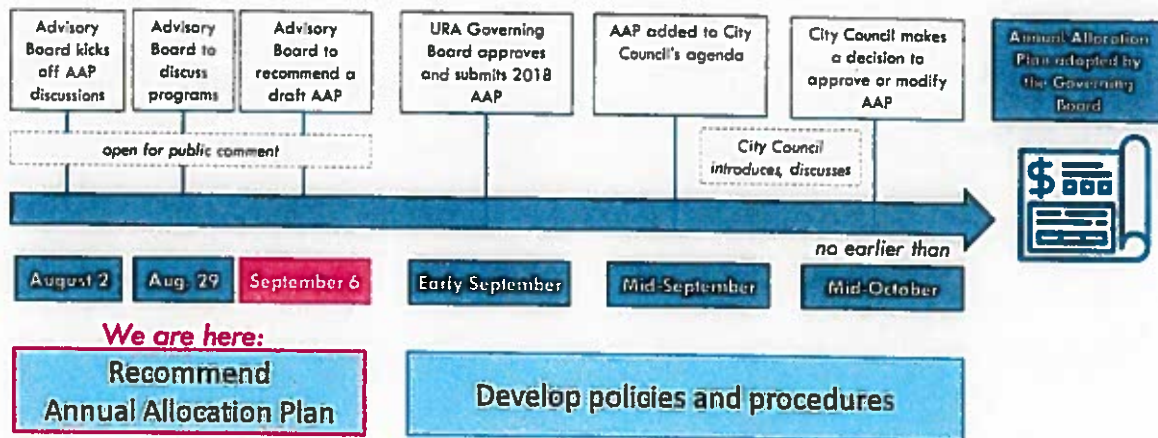
What Now?

To Study This, Pittsburgh created an Affordable Housing Task Force

The Task Force Recommended the Creation of a Locally-Funded Housing Opportunity Fund (HOF)

- The HOF was created by Ordinance #37 in 2016.
- The HOF was established to support the development and preservation of affordable and accessible housing within the City.
- In December 2017, City Council passed a resolution approving the assignment to the URA of ten million dollars (\$10,000,000) per year, for a period of twelve (12) years, commencing January 1, 2018, for the purpose of implementing the HOF.
- A 17-person Advisory Board was appointed by the Mayor and approved by Council.

2018 Housing Opportunity Fund Allocation Plan - Timeline



The 2018 allocation is framed by three considerations

Legislation	Housing Need	Capacity to Deploy
<ul style="list-style-type: none"> Broad range of eligible uses Specific income targeting by AMI (30%-50%-80%) 	<ul style="list-style-type: none"> Broad range of needs <p>(As revealed by demographic analyses, various studies, and conversations with over 40 local housing experts and 150 Pittsburgh residents)</p>	<ul style="list-style-type: none"> Broad capacity to deploy <p>All programs are constrained by funding, not program capacity.</p>

The Advisory Board has focused on 5 priority programs

Program	Program Description
Homeless Rental Assistance	Short term (up to 12 months) rental assistance to households who are homeless or at risk of homelessness.
Rental Gap Financing	For rental projects, funds for acquisition, new construction, or renovation.
Owner-Occupied Rehab	Assist low income homeowners with necessary renovations including health, safety, weatherization & accessibility.
Down Payment/Closing Cost Assistance	Help First Time Homebuyers with down payment and closing costs. \$7,500 for buyers <80%; \$5,000 for buyers <PHOP Guidelines
Development of For-Sale Housing	Supports developers to renovate or construct quality homes for First Time Homebuyers.

The Advisory Board prioritizes affiliated services which support successful outcomes for residents

Program	Affiliated Services
Homeless Rental Assistance	Case management including access to entitlements, employment services, budgeting
Rental Gap Financing	Supportive services appropriate to needs of the project's target population.
Owner-Occupied Rehab	Homeownership counseling, tangled title assistance, foreclosure prevention, decluttering
Down Payment/Closing Cost Assistance	Homeownership counseling, estate planning
For-Sale: Acquisition-Rehab-Resale	Homeownership counseling, estate planning

Once the Advisory Board identified the five priorities, the individual Advisory Board members completed the below worksheet

AMI Level	30%	50%	80%	Total
Required Allocation	50%	25%	25%	100%
Homeless Rental Assistance				
Rental Gap Financing				
Owner-Occupied Rehab				
Down Payment Assistance				
Development of For-Sale Housing				
Total	\$4.5 M	\$2.25 M	\$2.25 M	\$9M (out of \$10M)

The approximate "Median Allocation" of the Advisory Board members who completed the worksheet looked like this:

AMI Level	30%	50%	80%	Total
Required Allocation	50%	25%	25%	
Homeless Rental Assistance	0.50	0.25		0.75
Rental Gap Financing	2.50	1.375		3.875
Owner-Occupied Rehab	1.50	0.625	0.25	2.375
Down Payment Assistance			0.75	0.75
Acq/Rehab/Resale			1.25	1.25
Total	\$4.5M	\$2.25M	\$2.25M	\$9M

Pittsburgh Housing Opportunity Fund
Proposed 2018 Allocation Plan

	AMI Levels: 30%	50%	80%	Estimated Units/Households to be Served	
Target Funding:	\$4.50 M	\$2.25 M	\$2.25 M		
Homeless Rental Assistance	\$0.5 M	\$0.25 M	\$0.75 M	94	
Rental Gap Financing	\$2.5 M	\$1.375 M	\$3.88 M	97	
Owner-Occupied Rehab	\$1.5 M	\$0.625 M	\$0.25 M	\$2.38 M	136
DP/CC Assistance			\$0.75 M	\$0.75 M	100
Development of For-Sale Housing			\$1.25 M	\$1.25 M	14
Administration			\$1 M		
	\$4.5 M	\$2.25 M	\$2.25 M	\$10 M	441

HOF Program Elements

	Homeless Rental Assistance	Rental Gap	Owner Occupied Rehab	Down Payment/Closing Cost	Development of For-Sale Housing
Eligible Applicant	Non-profit homeless services program providers	Developers, non-profit or for profit with non-profit applicant partner	Non-profit providers of renovation services	Individual First Time Homebuyers	Developers, non-profit or for profit with non-profit applicant partner
Funding Awarded to:	programs	projects (site specific)	programs	programs	projects (which may include multiple specified sites in a single project)
Max/unit or beneficiary	\$12,000	\$60,000 per unit or \$70,000 including a service reserve	\$30,000	Below 80% AMI - \$7,500; PHOP Guidelines - \$5,000	\$75,000
Max project or program award	\$250,000	\$1 million	\$750,000	NA	\$750,000
Type of Affordability Restriction	NA	Soft second mortgage; Right of First Refusal to URA (assignable)	<\$5,000 grant >\$5,000 Deferred lien 30-year expiration.	Forgivable 5-year grant	homebuyer gets a new URA 2 nd mortgage and/or assumes loan to developer and accepts a deed restriction for affordability period
Affordability period	NA	Minimum 35; priority for 99 years	30 years	Five years	Priority for 99 years