



Housing Opportunity Fund (HOF) Demonstration Program Guidelines

March 2025

I. PROGRAM OBJECTIVE

The main objective of the Demonstration Program (Demo Dollars), a program of the Housing Opportunity Fund (HOF), is to provide financial assistance to “Innovative Housing Pilot Concepts or Programs” and “Urgent/Emergency Housing Needs.”

Funding administered through this program will be used to maximize housing stability and increase the affordable housing supply in the City of Pittsburgh by funding imaginative, new housing solutions that cannot be funded by the existing Urban Redevelopment Authority of Pittsburgh (URA) programs and that respond to housing emergencies quickly, ensuring that those in need receive timely support. The program will be available to not-for-profit agencies and developers, as well as for-profit developers with a nonprofit partner.

The funds will be deployed for one of the following two uses:

1. Innovative Housing Pilot Concepts
2. Urgent/Emergency Housing Needs and Solutions

The URA will open application rounds for these two purposes at various times throughout the year. The URA will enter into contracts with the selected Applicants and reimburse them for costs incurred on a per-project basis. Applicants will need to apply and be awarded a contract for specific geographic areas, which may be neighborhood-based or as large as the whole City of Pittsburgh.

II. PROGRAM FUNDING

The Demonstration Program will be sourced by the HOF, which is a locally funded housing trust fund in the City of Pittsburgh. An allocation plan is created each year for the programs under the HOF. An Advisory Board of 17 people recommends approval of the annual allocation plan to the URA Board of Directors, which is the Governing Board for the HOF. Once approved by the URA Board of Directors, City Council also reviews and approves the annual allocation plan.

III. ELIGIBLE GRANTEES

Grantees receiving financing from the Demonstration Program must meet the following requirements.

- A. To be eligible to apply for funding, the Applicant must be an organization, nonprofit, community group, local representative, or other collective entity for the benefit of the individuals they represent, provide for, or otherwise assist.

- B. To be an eligible grantee for a housing service program, the Applicant must have a 501(c)(3) nonprofit status and must have experience administering housing service programs.

In accordance with City Council Bill No: 2016-0602, which established the Housing Opportunity Fund, "Non-Profit" means a non-profit organization that (i) is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and (ii) has providing affordable housing or combating community deterioration among its tax-exempt purposes. The term shall not include a non-profit organization which is controlled by a for-profit or public entity. The term "Neighborhood-Based Non-Profit" means (1) a Non-Profit that has a substantial base of operations within the neighborhood where the housing to be funded by the Housing Opportunity Fund is located, or (2) a Tenant Association that represents the tenants in the housing to be funded by the Housing Opportunity Fund.

- C. To be an eligible grantee for a housing construction project, the following requirements must be met:

1. Must be a developer or member of development teams with demonstrated development and property management experience.
2. Must be in good standing within the Commonwealth of Pennsylvania.
3. Must be in good standing with all tax obligations and must not have any conflicts of interest.
4. Must have the legal capacity and all necessary legal and corporate authorization to incur the obligations of the grant.
5. Execute a URA grant agreement which ensures compliance with URA programs, policies, and procedures.
6. Must agree in writing to abide by all requirements of Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, Executive Order 11246, Section 3 of the Housing and Urban Development Act of 1968, Section 504 of the Rehabilitation Act of 1973, and Section 109 of the Housing and Community Development Act; and if the total development cost of the project is in the amount of \$250,000 or more, a Minority/Women Business Enterprise (M/WBE) Plan and

a Section 3 plan must be submitted and followed.

7. Must submit an Affirmative Fair Housing Market Plan if applicable.
8. When applicable, must agree in writing to assist with the relocation of tenants displaced as a result of the rehabilitation or new construction in accordance with the Uniform Relocation Act.
9. When applicable, must agree in writing to pay prevailing wages to the extent required by the Federal Government and the Commonwealth of Pennsylvania.

IV. ELIGIBLE PROPERTIES

To be eligible for the Demonstration Program, the following requirements must be met:

- A. Properties and/or beneficiaries must be located within the City of Pittsburgh.
- B. The property must comply with zoning requirements.
- C. The grantee may not occupy the property to be constructed or rehabilitated.

V. ELIGIBLE RECIPIENTS OF PROGRAM FUNDING

Grantees are required to ensure that households that will receive assistance provided through Demonstration Program funding meet the following requirements:

- A. The annual gross household income of each subrecipient must be within the Pittsburgh Area Median Income (AMI) guidelines with adjustments made for family size. The maximum income limit for renters is 50% of AMI. The maximum income limit for homeowners is 80% of AMI.
- B. Determination of the recipients' annual income shall be based on current income projected from the date of application. Annual income should be based on the gross income from all sources before taxes or tax withholding from all household members who are not minors or full-time students. The most recent federal

income tax form will also be required to verify the applicant's income history.

VI. FUNDING RESTRICTIONS

Grants issued through the Demonstration Program may include an affordability deed restriction on recipients' properties, determined on a case-by-case basis.

VII. PAYMENT PROCEDURES

URA staff must deem the project to be a feasible service or residential project, based upon established project underwriting processes. Demonstration Program assistance will be disbursed in accordance with a URA approved draw schedule after satisfactory staff underwriting completion, HOF Advisory Board and URA Board of Directors review and approval, and execution of grant documents.

Applicants must request payments on the proper URA form(s), duly signed and approved by the Applicant, for a specified dollar amount. For a construction project, no request for payment will be processed unless the amount of work completed is equal to or greater than the dollar amount applied for according to the URA's contractor payment schedule. Final payments will not be released until all required permits and proper documentation have been received and approved.

VIII. FUNDING TERMS, LIMITS, AND OTHER REQUIREMENTS

- A. URA staff will underwrite all grants.
- B. All grant closings will be performed by URA staff.
- C. The minimum grant award for both Innovation and Emergency applications is \$50,000. The maximum grant award for both Innovative and Emergency projects must not exceed the HOF allocation to the Demonstration Program for the year.

IX. PROGRAM APPLICANT RESPONSIBILITIES AND PROGRAM DELIVERY FEE

For all Housing Services programs funded through the Demonstration Program, the

following requirements must be adhered to:

- A. Determine recipient eligibility (both income and circumstances).
- B. Determine the package of assistance and services that are appropriate for the household's circumstances.
- C. Make payments to verified creditors.
- D. Submit reimbursement forms for payments made to creditors, not more than monthly.
- E. Provide supportive services to households, as appropriate.
- F. Monitor household success, including housing stability.
- G. Terminate support when no longer needed or when household is no longer meeting program participation requirements.
- H. Maintain files documenting homeowner eligibility, including income, funding received, services received, and termination from program.
- I. Provide monitoring reports to the URA on a monthly basis.
- J. Program delivery funds may be provided to nonprofit Program Applicants for reasonable and necessary program delivery expenses such as an allocation for staff time.
- K. If receiving federal disaster or stimulus funding, the Program Applicant must clearly document how the applicants' needs meet the criteria for the funding source

X. FAIR HOUSING AND ACCESSIBILITY REQUIREMENTS

- A. All units in both rehabilitated and new construction projects shall meet visitability standards to the greatest extent feasible.

- B. All construction projects shall maximize the number of units that meet Universal Design standards.
- C. All new construction dwellings shall be designed and constructed to have at least one building entrance on an accessible route unless it is impractical to do so because of the unusual terrain or unusual characteristics of the site.
- D. All new construction projects must meet the design standards most recently published by the American National Standards Institute (ANSI) for Accessible Units or for Units with Accessible Communication Features. Additionally, all new projects must have at least the following characteristics:
 - 1. The public and common use areas are readily accessible to and usable by handicapped persons;
 - 2. All the doors designed to allow passage into and within all premises are sufficiently wide to allow passage by persons with disabilities in wheelchairs;
 - 3. A minimum of 10% of units shall be accessible to individuals with mobility impairments and a minimum of 4% shall be accessible to individuals with sensory impairments.

XI. INSURANCE

For all construction projects using Demonstration Program funding, the grantee must have adequate insurance coverage.

- A. The borrower shall maintain hazard, liability, fire, and extended coverage at the grantee's expense in an amount not less than the sum of the URA's grant and any prior indebtedness secured by the property.
- B. For properties located in a floodplain, the grantee must maintain special flood insurance in an amount not less than the sum of the URA grant and any prior indebtedness secured by the property.
- C. All required insurance policies shall:

1. Be written by a company authorized to transact business in the Commonwealth of Pennsylvania.
2. Be written by a company which is reputable and financially sound as determined by the URA.
3. Be in force at the time of grant closing.
4. Contain terms and coverage satisfactory to the URA.

XII. ELIGIBLE AND REQUIRED IMPROVEMENTS

- A. If the project includes the renovation of a home or multiple homes, the grantee will be required to undertake all improvements necessary to remedy the conditions presenting a danger to the health and safety of the property's occupants. The URA (sometimes with a representative of the City's Department of Permits, Licenses, and Inspections) will inspect each property identifying code violations and conditions presenting a danger to health and safety. Improvements necessary to remedy these conditions are to be included in the scope of work to be financed with the grant. In the event the scope of work exceeds the funding to-be-awarded through the Demonstration Program, the funding may be denied.
- B. Priority use of grant funds will be for initial code violations, energy-related improvements, and finally, general property improvements.
- C. Work started prior to URA approval and inspection will not be eligible for grant funds.
- D. Work proposed for a building listed in the National Register of Historic Places or located in an historic district listed in or eligible for the National Register, or for a building determined by the City's Historic Preservation Planner to be eligible for listing in the National Register, shall be reviewed by the City's Historic Preservation Planner to ensure that it conforms to the Secretary of the Interior's Standards for Rehabilitation. Any exterior work proposed for a building designated by the City as a historic structure, or located in a City designated historic district, must first be reviewed by the Historic Review Commission of the City of Pittsburgh.

XIII. INSPECTION AND BIDDING PROCEDURES

All properties rehabilitated, developed, or otherwise funded under the Demonstration Program are subject to inspections by the URA. The URA may require an appraisal of each property showing the value of the structure and/or land before and after the proposed construction. All appraisals shall be performed by appraisers acceptable to the URA and shall be in an approved format.

- A. If the project is a property rehabilitation, either a URA approved contractor, or a Program Applicant will prepare a scope of work which identifies code violations and conditions presenting a danger to the health and safety of the occupants, including lead hazards. The scope of work can also include energy efficiency and general property improvements.
- B. The URA will review the scope of work to determine a fair and equitable cost of the proposed improvements.
- C. The approved scope of work will be subject to a competitive bidding process administered by the URA or subject to the URA review of the private Applicants' proposed construction costs.
- D. The URA's Manager of Quality Control and Inspections will conduct on-site stage inspections at the time the contractor and/or the applicant requests payment for work completed. The URA will make payments directly to the contractor and/or the program Applicant based on work completed and an approval by the Manager of Quality Control and Inspections and the grantee.
- E. After the work is finished, the URA's Manager of Quality Control and Inspections completes a final inspection. If necessary, a City Department of Permits, Licenses, and Inspections advisor may also inspect the completed work.

XIV. CONSTRUCTION STANDARDS AND REQUIREMENTS

All properties constructed or rehabilitated through the Demonstration Program must comply with all relevant codes of Allegheny County and the City of Pittsburgh. Additionally, all contractors shall:

- A. Meet all licensing requirements necessary to perform the construction.
- B. Be financially sound and fully qualified to perform the required work outlined in the work write-up as evidenced by previous professional construction experience.
- C. Provide insurance coverage for comprehensive public liability, property damage liability, and worker's compensation in form and amounts required by the URA.
- D. Perform all work covered by the work write-up and drawings in conformance with the contract and all applicable laws, codes and URA construction standards, and in a competent, workmanlike manner equal to the standards of the industry.
- E. Comply with all applicable laws, ordinances and regulations relating to the protection and safety of persons and property.
- F. Comply with all applicable laws pertaining to the removal of lead-based paint as required by 24 CFR Part 35.
- G. Furnish all labor, materials and equipment and obtain and obtain all licenses, permits and privileges required to construct or rehabilitate the property in accordance with the contract documents.
- H. Not assign the contract without the prior written consent of the grantee and approval of the URA.
- I. Agree to complete construction according to the specifications of the URA approved work write-up within the completion date.
- J. Agree not to begin any construction or rehabilitation activities prior to the closing of the URA grant.
- K. Indemnify and hold the URA harmless from all liability and loss due to injury to or death of any person or damage to any property which may occur or be alleged to occur during performance of the contract as a direct or indirect result of any act or omission, whether intentional, negligent or otherwise, by the contractor, subcontractors or their agents, servants and employees. The contractor shall defend all suits or claims involving the above at their sole cost and expense.

XV. APPEALS COMMITTEE

The URA will establish an Application Appeals Committee comprised of URA staff whose purpose is to review HOF Demonstration Program Guideline(s) waiver requests. The Appeals Committee will meet as needed and staff will recommend approval or disapproval of the Applicant's appeal request to the Chief Housing Officer. The Chief Housing Officer can choose to accept or reject the recommendation of the Application Appeals Committee.

XVI. MINORITY CONTRACTORS

The URA encourages the use of minority and women contractors in all projects and requires compliance with a Minority/Women Business Enterprise Plan approved by the URA for all projects with total development costs of \$250,000 or more. Copies of the plan shall be made available to grantees and contractors.

XVII. MONITORING

The program will establish policies and procedures to monitor the incomes of households residing in Demonstration Program financed properties.

XVIII. CERTIFICATIONS

In accordance with 24 CFR Part 8, the Authority certifies its compliance with the provisions of Section 504 of the Rehabilitation Act of 1973, as amended on June 2, 1988.

XIX. NON-DISCRIMINATION CERTIFICATION

The Urban Redevelopment Authority of Pittsburgh abides by all applicable laws and regulations regarding nondiscrimination and refrains from discriminating on the basis of age, race, color, religious creed, ancestry, national origin, sex, sexual orientation, gender identity, gender expression, political or union affiliation, and/or disability. No person shall be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination solely on the basis of any of the above factors under the grant programs operated by the Urban Redevelopment Authority of Pittsburgh.