

Community Updates

May 2, 2023 Community Meeting



NOTICE: This meeting is being recorded.



Board Updates

Polish Hill
CIVIC ASSOCIATION



- Our secretary, Julie, had to resign due to personal time constraints.
- Our board member Alicia has volunteered to assist as interim-secretary until the position can be officially appointed during our next board meeting.

PHCA Board Updates - Arts Fest September 17, 2023

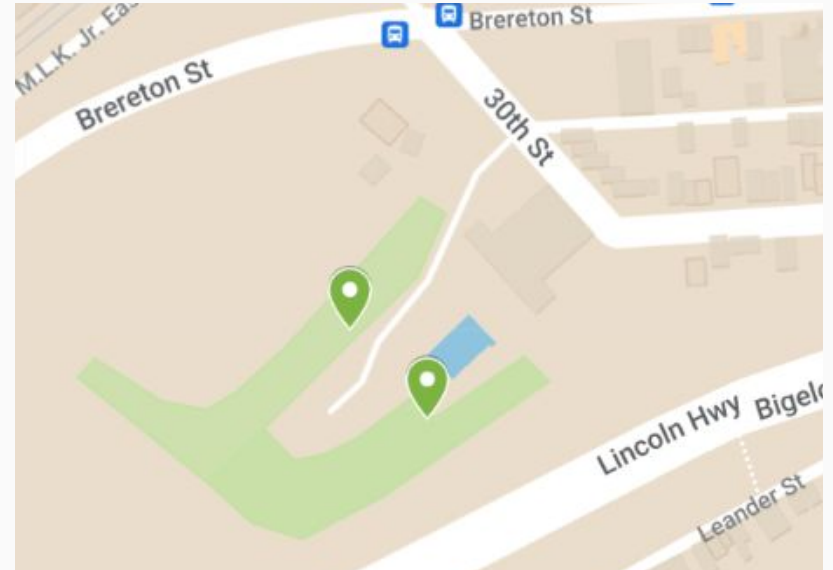
- Next Arts Fest Committee meeting is May 9th at 6pm @ the PHCA building
- Call for vendors is open!
 - Deadline is 6/1.
 - Email Talon@phcapgh.org, scan the QR codes on a social media post or click the link in the meeting reminder email.



PHCA Board Updates - GOATS!!!!!!!!!!!!!!!!!!!!



- Allegheny Goatscape Goats are at West Penn Park today and staying for two weeks.
- If anyone is interested in helping with daily care of the animals while they are with us, please contact Erin Gaughan at erin@alleghenygoatscape.org.



PHCA Board Updates - Green Team

- PHCA garden
- Maly park clean-up
- Melwood work day
- Melwood tree planting
- Richard Spencer's trees



Community Updates - Dan Berg

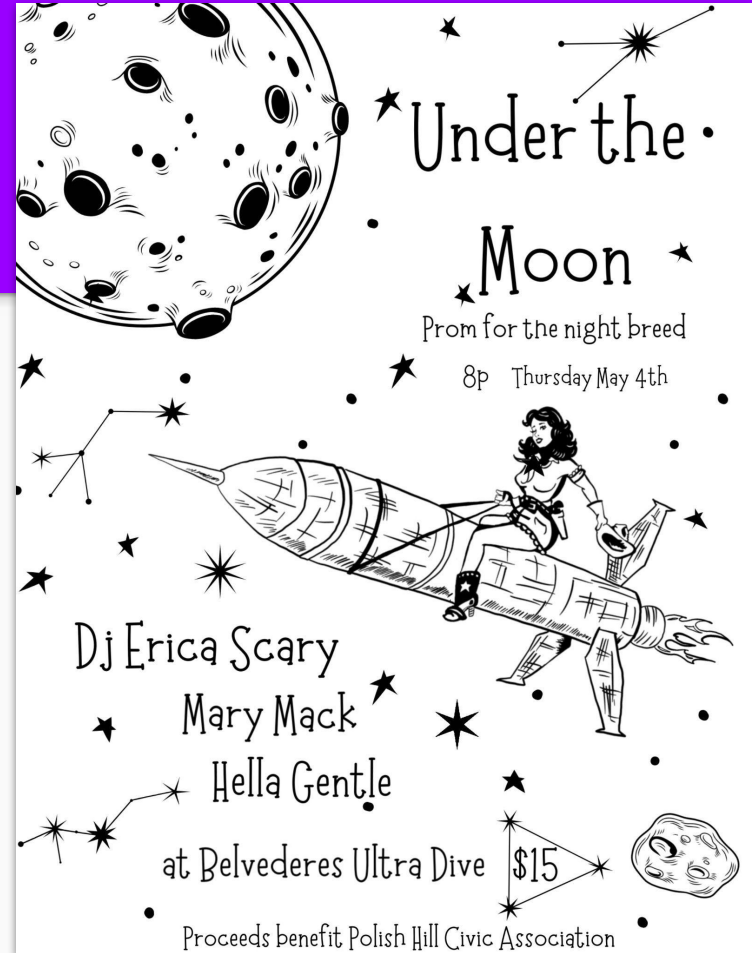
- Information on Solar Co-ops
- Visit:
www.solarunitedneighbors.org
for more info, FAQ's and more.



Save the Date!

PHCA Prom - Under the Moon

- 5/4/23 @ 8pm - Belvederes Ultra Dive
- \$15 cover, all proceeds benefit PHCA
- 21+. Prom attire strongly encouraged.
Prom Pictures included!
- Follow us on social media for updates
and reach out if you'd like to volunteer!



Save the Date!

PHCA Family Potluck Picnic

- 5/20/23 @ 5pm - West Penn Playground
- Bring food to share and meet other families in the neighborhood!
- Come early if you'd like to check out some new playground equipment! There will be bubbles, football, pickleball, bouncy balls and more!





SAFETY & MOBILITY CTEE

Renewing Efforts

Four Priorities

Walk Audit

Next Steps

New members alongside longtime members

Newer city administration

New DOMI staff

New BikePGH Staff





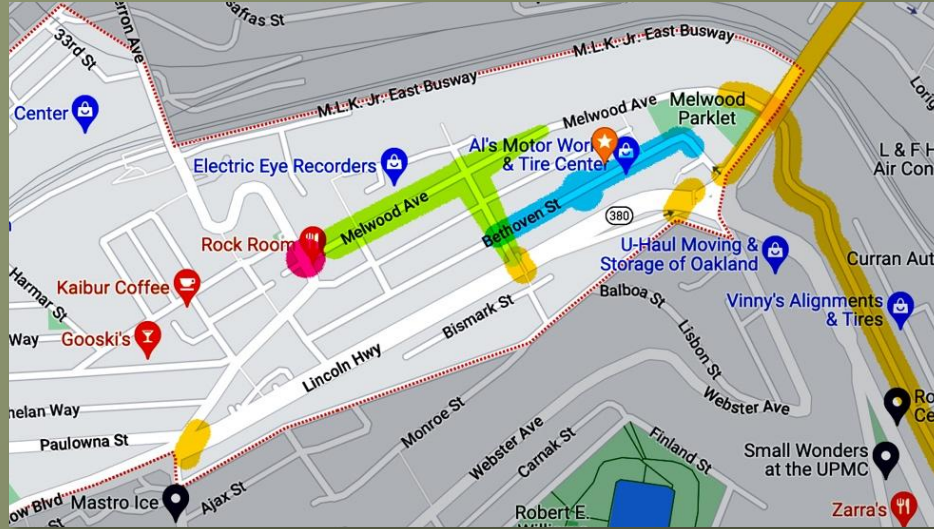
SAFETY & MOBILITY CTEE

Renewing Efforts




Four Priorities

Walk Audit

Next Steps



Visually-impaired child, Bethoven St.

-  Hazardous pedestrian crosswalk, Herron at Melwood Ave
-  Hazardous traffic on Melwood Ave
-  Safe pedestrian/micro-mobility access to Oakland/East End



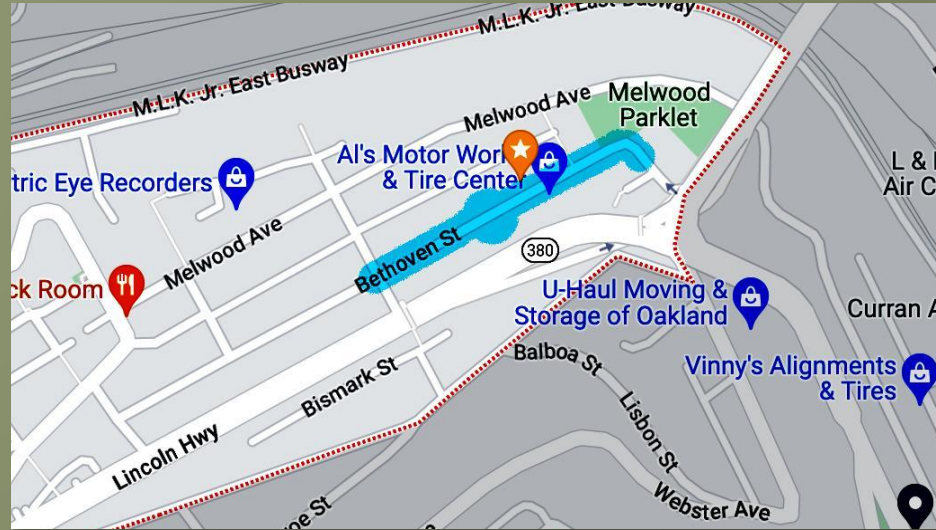
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



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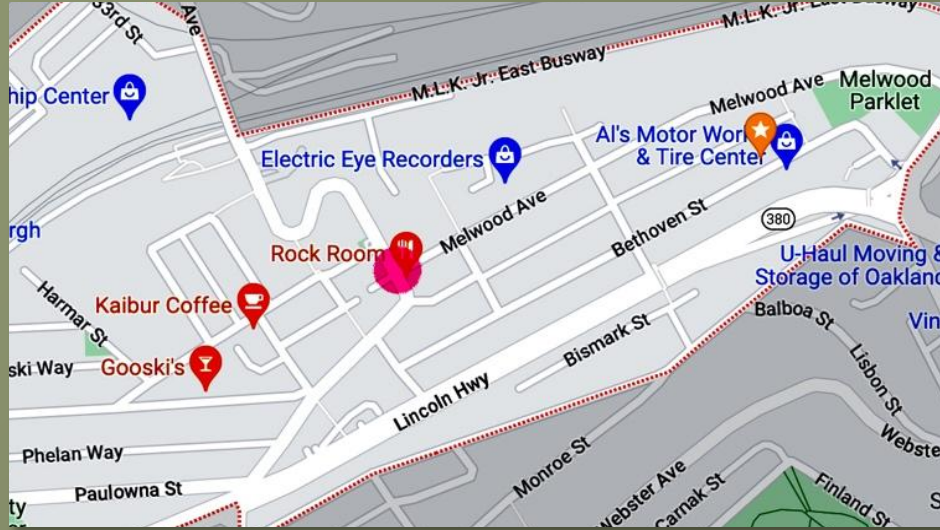
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



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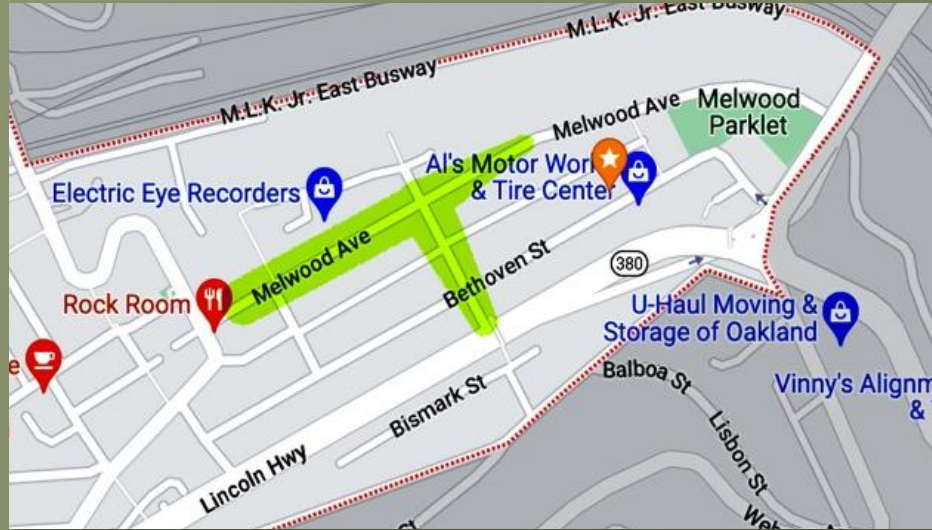
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



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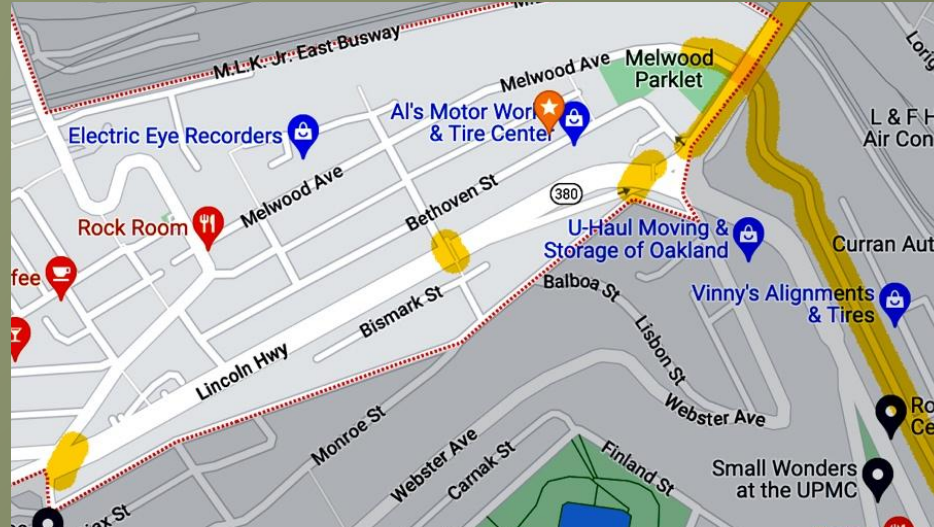
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



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SAFETY & MOBILITY CTEE

Renewing Efforts

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- Councilwoman Deb Gross
- LG, Service Rep for Deb Gross' office
- Rebekkah Ranallo, Nbhd Services Sr Manager, Mayor's Office
- Sean Stevens, DOMI Traffic-calming Engineer
- Seth Bush, Advocacy Manager, BikePGH



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- Capital Budget Request Letter → End of May
- Community Outreach Events → BBQ
- Develop “campaign” for 2024 into 2025
- Build advocacy capacity & competencies





SAFETY & MOBILITY CTEE

Ideas? Input? Requests?

Want to come to a meeting?

Matt Cotter, matt@phcapgh.org

Renewing Efforts

Four Priorities

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Next Steps



Recap of 4/4/23 Community Meeting

- **As a public charity, we cannot receive more than 33.3% of our support from income (rent, merch sales) and must receive at least 33.3% from contributions (donations/fundraising).**
 - **This is referred to as the “Public Support Test”.**
 - **We can lose our non-profit status from being non-compliant with the IRS.**
- **As of 2016, PHCA lost eligibility for grants that we relied on for years. PHCA has not been able to make up for lost funds by fundraising.**
- **We need to get back in compliance by separating the rental income (\$23K/year) from the PHCA. The board has consulted with multiple non-profit attorneys who regularly help with this kind of issue.**

Recap of 4/4/23 Community Meeting

- **To get into a full 5 year ratio of compliance, we need to raise at least \$100K to make up for the multiple years of non-compliance – no matter what next steps we take.**
- **Rents from our building have covered most operating costs for the last 7 years.**
 - **This is because certain grants have restrictions on how they can be spent and fundraising efforts have mostly been for specific projects.**
 - **The PHCA has over \$10K in operating costs per year that need to be covered (insurance, utilities, real estate taxes, miscellaneous costs, etc.).**

Options for 3060 Brereton Street



Options for 3060 Brereton St.

The advice we received on separating the rental income from the nonprofit includes two options:

- PHCA can create an LLC & transfer ownership of the building to the LLC.
- PHCA can explore options to sell the building.

This will be voted on by our membership at the 6/6/23 Community Meeting.

You must be paid-in-full as a member by 6/5/23 to vote!

You can do this in-person or online by going to our website or social media pages:

<https://www.polishhillcivicassociation.org>, Facebook or Instagram

Both Options Accomplish the Following:

- **Income no longer has an effect on PHCA's Public Support test results.**
- **Shows the IRS that we're taking steps to fix the Public Support test results.**
(This is in combination with fundraising efforts!)
- **PHCA Board members will not be not responsible for maintaining the apartments.**
- **Apartments will remain affordable.**
- **PHCA office remains free of rent.**
- **PHCA keeps all savings/cash reserves (post-sale).**

PROS/CONS for LLC Option

PROS

- LLC hires and pays a property manager for repairs/maintenance
- PHCA will create an LLC Oversight Committee that has complete governance/oversight of LLC
- LLC can cover all costs related to PHCA office, including utilities, furniture, yard maintenance etc.
- PHCA can loan money to LLC if needed (with interest on payments made back)
- Attorney can complete process in less than 1 week.
- Future sale of the building is still a possibility.

CONS

- PHCA pays attorney/transfer tax to sell the building to the LLC.
 - This will cost approx. \$11,000
- PHCA Board will need to work with a nonprofit attorney to create governance documentation with rules/policies for the LLC.
(Attorney will complete this at no cost.)

Sample LLC Budget

PHCA will create an LLC Oversight Committee, which can include interested members of the PHCA board & members of the community. This committee will create/maintain an annual budget & be the main contact for property manager for all repairs/maintenance, etc.

3060 LLC 5 YEAR BUDGET	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	NOTES
RENTS	\$22,500	\$23,175	\$23,870	\$24,586	\$25,324	Assumes 3% rent increase per year
TAXES	\$3,554	\$3,554	\$3,554	\$3,554	\$3,554	
UTILITIES	\$4,429	\$4,650	\$4,883	\$5,127	\$5,383	Assumes 5% utility increase per year
PROP MGMT	\$2,250	\$2,318	\$2,387	\$2,459	\$2,532	10%
INSURANCE	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	Property Insurance
INTEREST EXP	\$289	\$816	\$740	\$661	\$534	Based on a 10 yr loan for \$25K at 3.5% \$278/MONTH)
KITCHEN GENERAL & REPAIRS (YR 1-5)	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	
LANDSCAPING	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	
GENERAL REPAIRS (NON-CAP)	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	PAINTING, APT MAINTENANCE
DEPRECIATION	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	
NET INCOME	\$978	\$837	\$1,306	\$1,786	\$2,320	PASS THROUGH TO PHCA
NET CASH	\$3,978	\$7,815	\$12,122	\$16,907	\$22,227	CUMULATIVE CASH

YR 1 REPAIRS

OFFICE FLOOR

KITCHEN

YR 2 REPAIRS

SUMP PUMP

DECK REPAIR

APARTMENT REPAIRS

YR 3 REPAIRS

GENERAL OFFICE UPGRADE

OFFICE BATHROOM

APARTMENT REPAIRS

PROS/CONS for Sale Option

PROS

- PHCA will not sell to a for-profit developer and will only engage organizations that agree to keep apartments affordable and allow PHCA to maintain office space.
- Building owner is responsible for all property repairs/maintenance for apartments and PHCA office.
- PHCA gets cash from property sale.

CONS

- PHCA is no longer a property owner and can not use any income made from apartments.
- Building sale price will be considerably lower than market value due to purchaser maintaining affordable rents.
(Estimated \$50,000-100,000)
- Polish Hill loses a community-owned property.
- PHCA will be responsible for all costs related to the office space, including utilities, furniture, etc.

Membership Request for Board Preference

- **Due to the sensitivity and intricacy of this decision, the board was sent an anonymous survey to decide how we should share a preference with the membership.**
- **Results:**
Do you agree with presenting the LLC as the current board preferred option?
 - **Yes - 7**
 - **No - 1**
 - **Abstain - 1**

Next Steps

Community Meeting/
3060 Brereton options
presentation/ Q&A

May 2

May 4

PHCA Prom
Fundraiser

Community Meeting/
Membership vote on
3060 Brereton

June 6

June 7

PHCA Board moves forward
to create LLC or present sale
options to membership.

