

January 16, 2020

Minutes of the Regular Board Meeting of the Urban Redevelopment Authority of Pittsburgh, 412 Boulevard of the Allies, Pittsburgh, PA 15219, Lower Level Conference Room.

January 16, 2020 – 2:00 P.M., E.S.T.

Members Present: Williamson, Powell, Gainey, Lavelle, Hirsh

Members Absent: None

Staff Present: Walker, Cummings, Nuemah, Clark, Smith Perry, Nemani-Stanger, Link, Kaminski, Rubinstein, Wrenshall, Turkaly, Miller, Alcorn, Madden, Carter, Morris and Schacht.

Mr. Williamson called the Meeting to order and declared a quorum present.

1. Mr. Williamson announced Greg Flisram, the Authority's new Executive Director first Board Meeting.
2. Mr. Williamson announced Marty LaMar, as the City of Pittsburgh new Chief Economic Development Officer.
3. Public Comments:
 - a. Jay Dworin, the Executive Director of, The Fair Housing Project, was present. Mr. Dworin stated that they are the only contract qualified fair housing organization in Allegheny County. He welcomed and congratulated Mr. Flisram on his new leadership position. He stated that they look forward to the opportunity of working with the Authority on their new objective. He gave an overview of fair housing.
 - b. Celeste Scott, of Pittsburgh United, was present. Ms. Scott agreed with Mr. Dworin on his statement regarding fair and affordable housing. She stated that there should be more engagement about creative ways to utilize the Housing Opportunity Funding.
 - c. Marimba Milliones, President & CEO, of the Hill CDC, was present. Ms. Milliones stated that she is present for the New Granada Square parcel transfer. She stated that she was happy to see the project on today's Agenda. She stated that she was pleased to be working with the Authority. She is concerned that public comments are being made at the beginning of the meetings, before the items are announced, is a disadvantage to the public and suppresses input.

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4. General

- a. Approval of the Minutes of the Regular Board Meeting of December 19, 2019.

5. Announcements

- a. Mr. Williamson announced that an Executive Session was held at 1:00 PM today regarding a discussion of onboarding the Authority's new Executive Director.
- b. 4800 Block of 2nd Avenue – Extended due diligence period with The Community Builders.
- c. Hill District Quarterly Mixer & Resource Fair, Thursday, January 30th, 6:00 PM, at the Jeron X. Grayson Center.
- d. Center for Housing Opportunities Dashboard.
- e. Center for Innovation and Entrepreneurship Dashboard.

6. 2020 Housing Opportunity Fund Annual Allocation Plan

- a. Presentation and approval of the 2020 Housing Opportunity Fund Annual Allocation Plan.

Ms. Walker requested Board approval of the above item.

Ms. Jessica Smith Perry, Director of Housing Opportunities presented that The Housing Opportunity Fund (HOF) was created in 2016 (via City Council Ordinance #37). 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 terms of and authorizing the execution and delivery of a Cooperation Agreement with the Authority relating to the administration of the HOF and authorizing the assignment to the Authority 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.

For the administration of the fund, Authority staff are working with a 17-member Advisory Board that was appointed by the Mayor and approved by City Council in June 2018. According to the HOF enabling legislation, the Advisory Board will work with URA staff to create and approve an annual allocation plan which outlines proposed funding levels by programmatic category. The Advisory Board will then recommend approval of the allocation plan to the URA Board of Directors, the Governing Board, for final approval. Once the URA Board of Directors approves the allocation plan it will be presented to City Council.

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This is the third year of creating allocation plans for the HOF. To help prepare for the 2020 Annual Allocation Plan and to spread the word about existing HOF programs, HOF staff attended numerous community meetings. Examples are the West End Housing Resource Fair, a Northside Leadership Conference meeting, several Pittsburgh Public School events, and several events hosted by Pittsburgh United. Additionally, a housing survey was placed online and distributed in paper form. Approximately 300 people responded to the survey. 46% of the respondents were renters and 54% of the respondents owned their homes. Both groups of respondents selected the new construction of affordable rental housing as the top priority.

The HOF Advisory Board held a working meeting on November 21, 2019 to discuss drafting the Allocation Plan. The Advisory Board was given (1) a report that summarized the survey data, (2) an expenditure report showing prior year expenditures, and (3) reports showing the supply and demand of the current programs. After much discussion, each Advisory Board member was asked to complete a worksheet creating a draft plan. At the December 10, 2019 HOF Advisory Board Meeting, the responses were compiled and a chart was shown to the Advisory Board and the general public that represented the mean average of the Advisory Board members worksheet. There was also a column that showed the staff recommendation which for most line items was similar to the Advisory Board's mean average. The Advisory Board voted to preliminarily approve the column which showed the Staff Recommended plan.

The draft 2020 plan was then put on the URA website on December 12, 2019. Instructions were given as to how to submit public comment. By January 6, 2020, 7 comments had been received. The comments were generally supportive of the plan. Therefore, the plan received a final vote of approval at the January 8, 2020 HOF Advisory Board Meeting.

The 2020 Allocation Plan is identified below:

Draft 2020 Allocation Plan	Who does it help?			TOTAL
	Extremely Low Income 30% AMI and all below	Very Low Income 50% AMI and all below	Low Income 80% AMI and all below	
Building/Fixing up affordable rental units (Rental Gap Program)	\$2,980,000	\$1,520,000		\$4,500,000
Helping renters stay in their homes (Housing Stabilization Program)	\$685,000	\$330,000		\$1,015,000
Making it easier to buy a home (Down Payment and Closing Cost Assistance)			\$500,000	\$500,000
Helping homeowners keep up with repairs (Homeowner Assistance Program)	\$835,000	\$400,000	\$1,250,000	\$2,485,000
Building/fixing up affordable homes for sale (For-Sale Development Program)			\$500,000	\$500,000
Administration	Up to \$0.5M	Up to \$0.25M	Up to \$0.25M	\$1,000,000
Total	\$5,000,000	\$2,500,000	\$2,500,000	\$10,000,000



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The following are brief descriptions of the five programs as identified in the annual allocation plan. These programs are all allowable programs in accordance with the legislation. All programs except the Demonstration Program were included in the 2019 Allocation Plan and have approved Program Guidelines.

Housing Stabilization Program (HSP):

Service providers provide short term rental assistance (maximum of 4 months) and associated services to households at or below 30% and/or 50% AMI who are homeless or at risk of homelessness. Homeless rental assistance also includes eviction prevention services such as legal assistance. To date, 215 households have been helped through the program.

Rental Gap Program (RGP):

The Rental Gap Funding Program provides secured loans for the new construction and/or preservation of affordable rental units. For projects in the development process that have units serving households at or below 30 and/or 50% AMI, developers may apply for secured loans for acquisition and construction, or renovation/preservation, of rental housing projects. To date, 294 affordable units have / are being created through this program.

Down Payment and Closing Cost Assistance (DPCCA):

First time homebuyers with incomes up to 115% of AMI may apply to the URA for down payment and closing cost assistance for the purchase of a house in Pittsburgh. To date, 69 households have used this program to purchase a home.

Home Owner Assistance Program (HAP):

The HAP Program addresses unsafe and unhealthy conditions in homes owned by homeowners with incomes at or below 30%, 50% AMI, and/or 80% AMI. Non-profits may apply for funds for renovation and associated services, or households may apply directly to the URA. Examples of eligible repairs are new roofs, furnace replacement, weatherization repairs, and/or accessibility modifications. The HAP program also includes tangled title assistance for homeowners. To date, 106 households have completed the program, are currently in the program, or have been preapproved for the program.

For-Sale Development Program (FSDP):

The For-Sale Development Program expands the pool of quality for-sale housing affordable to households at or below 80% AMI. Developers may apply to HOF for costs associated with the development of residential property including acquisition, rehabilitation, or new construction, and soft costs associated with the property development. Funds will help bridge the gap between total development cost and the future sales price. Funds may also be used in the form of deferred second mortgages for the future homeowners. The future homeowners must reside in the property. To date, 17 for-sale houses have been created / are being created through this program.

Next Step:

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After the 2020 Annual Allocation Plan is approved by the URA Board of Directors, the Plan will be submitted to City Council for review and approval.

Mr. Williamson stated that it has been five years since the Affordable Housing Taskforce convened and issued a report that showed the shortage of 20,000 affordable units. He asked about updated information. Ms. Smith Perry stated that Jamie Reese, of the Housing Opportunities Department is currently engaging with the Consultant to update the initial report. Ms. Smith Perry stated that this will be a goal for 2020. Mr. Williamson stated that there was some amazing work put into obtaining and administering the HOF funding. Ms. Smith Perry stated that a goal is to reduce the number of Section 8 Vouchers that are returned. She stated that the 70% is staggering. She acknowledged the Authority Staff that had worked on the Allocation Plan.

Mr. Dworin believes that the most important aspect of the HOF is the effects of the Black population in the City of Pittsburgh, and the devastation the lack of affordable housing has on the black community. He believes that there needs to be more discussion about how development impacts the Black community.

Ms. Hirsh asked about the total funding amount being used for the affordable units. Mr. Williamson stated that the amount is estimated for developments with affordable units that are currently in the pipeline. She asked about future ownership of the units. Ms. Smith Perry stated that there are deed restrictions put into place on the property regarding affordable housing.

Bob Mistick, of Mistick Construction, was present. Mr. Mistick stated that there is an impact on all neighborhoods.

Will Thompkins, of NCFH, was present. Mr. Thompkins encouraged reading an article in the City Paper regarding the lack of affordable housing.

Mr. Williamson stated that one out of four City of Pittsburgh residents continue to live in poverty, therefore the lack of affordable housing will remain a crisis.

Ms. Hirsh stated that there are not enough opportunities and encouragement for the community to provide input during the process.

Ms. Powell stated that there is also an opportunity to think intentionally about more money being added to the HOF and how it affects other systems that can either perpetuate inequality or have an opportunity to dismantle it.

Upon a motion to approve by Mr. Gainey, seconded by Mr. Lavelle, and unanimously carried, the following resolution was adopted:

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RESOLUTION NO. 1 (2020)

RESOLVED: That the presentation and approval of the 2020 Housing Opportunity Fund Annual Allocation Plan is hereby approved.

7. California-Kirkbride, Central Northside, & Perry South – Northside Residences Phase III
 - a. Housing Opportunity Fund Rental Gap Program Loan Agreement in the amount of \$700,000 with Northside Properties Residences III LLC for the renovation of scattered site affordable units.
 - b. Rental Housing Development Program Improvement Loan Agreement in the amount of \$700,000 with Northside Properties Residences III LLC for the renovation of scattered site affordable units.

Ms. Walker requested Board approval of the above items.

Ms. Smith Perry presented that authorization is requested to enter into the above-mentioned loan agreements with Northside Properties Residences III LLC to provide renovations to seventy (70) existing units across the California-Kirkbride, Central Northside, and Perry South neighborhoods as the third phase of the Northside Properties development. Of these seventy (70) units, twelve (12) units will be affordable at 30% AMI.

North Side Associates (NSA) previously owned 324 units located in 239 separate buildings spread out among the historic Northside area of Pittsburgh, PA. The development is known as the Northside Properties. The units, which are a mix of 1, 2, 3, 4, and 5-bedroom apartments, were originally built between 1870 and 1910. To date 197 of the units have been sold to affiliated entities in two phased developments to date (Phase I containing 75 units is completed, and Phase II containing 122 units closed in August 2019 and is under construction).

The Borrower and Developer of Phase III is Northside Properties Residences III LLC ("NSPR III"), the entity formed to own and manage the seventy (70) unit development. The developer plans to submit for a 4% Low Income Housing Tax Credit (LIHTC) and is in the fundraising stage. Closing is slated for the fourth quarter 2020. Further, the non-profit applicant on this phase is the Northside Coalition for Fair Housing, Inc. ("NCFH"), a 501(c)(3) that provides tenant rights advocacy and tenant organizing services, as well as community building activities for several Northside neighborhoods. The Rental Gap Program (RGP) and Rental Housing Development Improvement Program (RHDIP) loans will be secured by a 3rd Mortgage lien position, after the 1st and 2nd primary amortizing hard mortgage debts. The loans will be repaid based on a to-be-determined percentage of cashflow.

The requested loans will be used to complete substantial renovations to these historic units. All units will receive Project Based Section 8 rental assistance from the U.S. Department of Housing Development (HUD).

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At its January 8, 2020 meeting, the Housing Opportunity Fund Advisory Board passed a motion to award this project a Housing Opportunity Fund Rental Gap Program Loan (HOF RGP) in the amount of \$700,000. The HOF RGP is intended to help fund the creation and/or preservation of affordable housing City-wide, specifically targeting households at or below 30 % and 50% AMI.

The commitment of funds is extended until June 1, 2020. If the developer has secured an allocation of 4% Low Income Housing Tax Credits, the commitment may be extended until December 31, 2020.

Approval of the URA loans is subject to approval of final plans and specifications and construction schedule of values. The URA RHDIP loan approval is also subject to approval by the URA loan review committee.

Details of the development are as follows:

Developer: Northside Properties Residences, LLC
Robert Mistick and Sarah Mistick, Principals

Property Location: Scattered Sites in California Kirkbride and Central Northside

Ward: 21st, 22nd, 25th, & 26th Wards

Description: Rehabilitation and renovation of seventy (70) units throughout the California-Kirkbride, Central Northside, and Perry South neighborhoods

General Contractor: Mistick Construction

Total Development Costs: \$ 24,842,445

Proposed Development Sources:

Committed / Pending Sources

Permanent Financing (TBD) - 1 st Lien	\$8,176,000
Permanent Financing (TBD) - 2 nd Lien	\$ 350,000
Equity (LIHTC)	\$8,500,271
Equity (HTC)	\$2,472,323
Deferred Development Fee	\$ 240,045
Seller Note	\$3,341,048
Interim Income	<u>\$ 362,758</u>
Total	23,442,445

URA Sources Under Review

URA RHDIP	\$ 700,000
URA Housing Opportunity Fund RGP	<u>\$ 700,000</u>
Total	\$1,400,000

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Total Sources: \$24,842,445

Authority Financing: \$700,000 – HOF RGP Loan – 0% interest rate, 40-year term, part amortizing loan, part cash-flow.
\$700,000 – URA RHDIP Loan – 0% interest rate, 40-year term, part amortizing loan, part cash-flow.

Program Benefit: This development will rehabilitate seventy (70) affordable units across the California-Kirkbride, Central Northside, and Perry South neighborhoods.

HOF Advisory Board Review: Approved at the January 8, 2020 Meeting.

M/WBE Review Committee Status: URA M/WBE Review staff have approved the Northside Residences Phase III Narrative and will require the MWBE Calculator pending Board approval.

Ms. Yvonne Rainey, Co-Chair ,of the Northside Coalition for Fair Housing, was present. Ms. Rainey stated that she is the new Board Chair, of the North Coalition for Fair Housing. She appreciates the opportunity to represent the organization. She stated that they are in partnership with Bob Mistick. She stated that they are evolving and moving forward.

Upon a motion to approve by Mr. Lavelle, seconded by Mr. Gainey, and unanimously carried, the following resolutions were adopted:

RESOLUTION NO. 2 (2020)

RESOLVED: That a Rental Gap Program loan to Northside Properties Residences III LLC, to provide renovations to seventy (70) existing units across the California-Kirkbride, Central Northside, and Perry South neighborhoods as the third phase of the Northside Properties development, in the amount of \$700,000, payable from the Housing Opportunity Fund Rental Gap Program is hereby approved, and the Executive Director, Deputy Executive Director and/or Chief Financial Officer, on behalf of the Authority, is hereby authorized to execute a loan agreement and related documents therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto, contingent upon approval of final plans, specifications and construction schedule of values, and approval by the URA loan review committee.

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RESOLUTION NO. 3 (2020)

RESOLVED: That a Rental Housing Development Program loan to Northside Properties Residences LLC, to provide renovations to seventy (70) existing units across the California-Kirkbride, Central Northside, and Perry South neighborhoods as the third phase of the Northside Properties development, in the amount of \$700,000, payable from the Rental Housing Development and Improvement Program is hereby approved, and the Executive Director, Deputy Executive Director and/or Chief Financial Officer, on behalf of the Authority, is hereby authorized to execute a loan agreement and related documents therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto, contingent upon approval of final plans and specifications, construction schedule of values and approval by the URA loan review committee.

8. Fifth & Dinwiddie – Fifth & Dinwiddie Development LLC
 - a. Housing Opportunity Fund Rental Gap Program Loan Agreement in the amount of \$500,000 with Fifth & Dinwiddie Development LLC, or an entity to be created later, for the construction of affordable units in the Fifth & Dinwiddie project.

Ms. Walker requested Board approval of the above item.

Ms. Smith Perry presented that authorization is requested to enter into the above-mentioned Housing Opportunity Fund (HOF) Rental Gap Program (RGP) agreement with Fifth & Dinwiddie Development LLC, or an entity to be created later, to provide permanent financing for the construction of affordable housing in a larger Fifth & Dinwiddie mixed-income project. The development will consist of 167 units, of which 33 will be affordable. Of the affordable units, 15 would be studios, another 15 would be one bedroom, and the remaining three (3) would be two bedrooms. HOF financing would go toward supporting the construction of the 33 affordable units. The apartments are part of a larger development that includes approximately 20,000 square feet of commercial space, retail space, 128 parking spaces, and 12,500 square feet of new plaza open spaces. Other amenities would include gallery space, public art, bicycle parking, and community programmable space.

Projects seeking Rental Gap Program funds must include a non-profit applicant. For Fifth & Dinwiddie, the non-profit applicant is Amani Christian Community Development Corporation (Amani CDC). The developer plans to submit for a 4% Low Income Housing Tax Credit (LIHTC) and is in the fundraising stage. Closing is slated for the fourth quarter 2020.

The 33 affordable units will have a 40-year term of affordability, which will be enforced by PHFA restrictive covenants. HOF will have deed restrictions on 10 of the HOF funded units. Seven of the units will be rented to households at or below 30% AMI, and another 3 will be rented to households at or below 50% AMI.

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At its January 8, 2020 meeting, the Housing Opportunity Fund Advisory board passed a motion to award this project a Housing Opportunity Fund Rental Gap Program Loan (HOF RGP) in the amount of \$500,000. The HOF RGP is intended to help fund the creation of new affordable housing and/or preserve affordable housing City-wide, specifically targeting households at or below 30 % AMI and 50% AMI.

The commitment of funds is extended until June 1, 2020. If the developer has secured an allocation of 4% Low Income Housing Tax Credits, the commitment may be extended until December 31, 2020.

Details of the development are as follows:

Developer:	Fifth & Dinwiddie Development LLC Consisting of: Bridging the Gap Development, LLC (Derrick Tillman, President) and HB Development (Gene Boyer, Co-Managing Partner)
Architect:	Pieper O'Brian Herr Architects
General Contractor:	Nello Construction
Location:	Corner of Fifth and Dinwiddie, in the Uptown (Bluff) neighborhood
Ward:	1 st Ward
Description:	Construction of 167 new apartments in the Uptown, 33 of which will be affordable
Total Development Costs:	\$40,400,000

URA Financing Sources Under Review: HOF Rental Gap Program Loan \$500,000

Other Financing Sources (pending):

Permanent financing (pending)	\$26,600,000
LIHTC Equity (pending)	\$3,300,000
CRFP/PHARE- PHFA (pending)	\$2,000,000
RACP (pending)	\$3,000,000
Multimodal/GEDF (pending)	\$3,500,000
FHLB (pending)	<u>\$1,500,000</u>
Total Pending Sources	\$39,900,000
Total Sources:	\$40,400,000

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- Authority Financing: \$500,000 – HOF RGP Loan – 0% interest rate, 40-year term, part amortizing loan, part cash-flow.
- Program Benefit: This development will create a mixed-income, mixed-use asset in the Uptown neighborhood.
- HOF Advisory Board Review: Approved at the January 8, 2020 Meeting
- M/WBE Review Committee Status: URA M/WBE Review staff have approved the Fifth and Dinwiddie Narrative and will require the MWBE Calculator pending Board approval.

Gene Boyer, of Fifth & Dinwiddie Development LLC, was present. Mr. Boyer stated that a lot of hard work was put into this project. He recognized Derrick Tillman for bridging the financial gap. He stated that this will be the first type of project that will make use of the 4% tax credit. He stated that they believe that this is a first of many future developments. He stated that they are grateful for the process in putting together this complex project. He also stated that they are excited for the opportunity to engage with the community and receive feedback.

Upon a motion to approve by Mr. Gainey, seconded by Mr. Lavelle, and unanimously carried, the following resolution was adopted:

RESOLUTION NO.4 (2020)

RESOLVED: That a Rental Gap Program loan to Fifth & Dinwiddie Development LLC, or an entity to be created later, for the construction of affordable units in the Fifth & Dinwiddie project, in the amount of \$500,000, payable from the Housing Opportunity Fund Rental Gap Program is hereby approved, and the Executive Director, Deputy Executive Director and/or Chief Financial Officer, on behalf of the Authority, is hereby authorized to execute a loan agreement and related documents therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

- 9. HOF / Consumer Programs Community Outreach and Marketing Services
 - a. Approval to add the following firm to a slate of consultants to provide community outreach and marketing services as needed:
 - i. The Minority Network Exchange

Ms. Walker requested Board approval of the above item.

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Ms. Smith Perry presented that there is a rolling RFP to add consultants to a list of firms to provide community outreach activities for the Center for Affordable Housing. There are currently nine consultants on the list. Authorization is requested to add one more firm.

There was no discussion among the Members

Upon a motion to approve by Ms. Hirsh, seconded by Mr. Gainey, and unanimously carried, the following resolution was adopted:

RESOLUTION NO. 5 (2020)

RESOLVED: That approval to add the following community organization to a slate of consultants to provide community outreach and marketing services as needed is hereby approved:

I. The Minority Network Exchange

10. Administrative - Pittsburgh Housing Development Corporation

- a. Appointment of Lena Andrews to the Board of the Pittsburgh Housing Development Corporation (two year term).

Ms. Walker requested Board approval of the above item.

Ms. Smith Perry presented that the Pittsburgh Housing Development Corporation (PHDC) is the not for profit 501 (c) 3 housing development affiliate of the Authority. PHDC is governed by a Board of Directors appointed by the Authority Board. Authorization is requested to make the following appointment to the PHDC board.

Appointment(s): Lena Andrews
 Director of real Estate Development
 Action Housing, Inc.
 (two-year term)

There was no discussion among the Members.

Upon a motion to approve by Ms. Powell, seconded by Mr. Gainey, and unanimously carried, the following resolution was adopted:

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RESOLUTION NO. 17 (2020)

RESOLVED: That appointment of Lena Andrews to the Pittsburgh Housing Development Corporation Board for a two year term is hereby approved.

11. Administrative – Real Estate Loan Review Committee

- a. Appointment of new members to the Real Estate Loan Review Committee.

Ms. Walker requested Board approval of the above item.

Ms. Smith Perry presented that through a suite of loan and grant programs the Authority Center for Housing Opportunities (COH) and Center for Innovation and Entrepreneurship (CIE) provide financing for the development of residential (rental and for-sale) and commercial real estate. Various URA COH and CIE real estate financing programs utilize a third party advisory committee. This committee supports the Authority staff and board by providing underwriting advisory services. Proposed new members include:

- Marty Lamar
Chief Economic Development Officer
City of Pittsburgh
- LaMarcus Thurman
Assistant Vice-President
Office Manager/Community Relationship Manager of Southwest Region
Northwest Bank

Mr. Marty Lamar, Chief Economic Development Officer of the City of Pittsburgh, was present. Mr. Lamar appreciates the opportunity to work with the Authority in another capacity. He stated that there is a lot of work to be done and is looking forward to finding solutions to a reoccurring problem that has resonated in the City of Pittsburgh. He is impressed with the Authority Board.

Upon a motion to approve by Ms. Gaaney, seconded by Mr. Lavelle, and unanimously carried, the following resolution was adopted:

RESOLUTION NO. 18 (2020)

RESOLVED: That the appointment of the following individuals to the Real Estate Loan Review Committee is hereby approved:

- Marty Lamar
Chief Economic Development Officer
City of Pittsburgh

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- LaMarcus Thurman
Assistant Vice-President
Office Manager/Community Relationship Manager of Southwest Region
Northwest Bank

12. Middle Hill – New Granada Square

- a. Proposal and form of contract for the sale of Block 10-N, Lots 267, 268, 269, 270, 274, 275, 276, 278, 279, 280, 289, and 290, in the 5th Ward, to Granada Apartments LP, for \$125,000 plus costs.

Ms. Walker requested Board approval of the above item.

Mr. Nathan Clark, Real Estate Director presented that in October 2018, the Board authorized exclusive negotiations through May 31, 2019, with a possible one-year extension, with New Granada Square Apartments, L.P., or a related entity, for the sale and redevelopment of Block 10-N, Lots 267, 268, 269, 270, 274, 275, 276, 278, 279, 280, 289, and 290, in the 5th Ward. The lots total approximately 21,207 square feet and are adjacent to the historic New Granada Theater on the block generally bounded by Centre Avenue, Wylie Avenue, Devilliers Street and Erin Street in the Middle Hill District neighborhood.

The lots are to be redeveloped by a partnership between CHN Housing Partners (“CHN”) and the Hill Community Development Corporation (“Hill CDC”) into a five-story mixed use development including 7,500 square feet of ground floor commercial space and 40 affordable residential apartments.

The development partnership applied for 9% Low Income Housing Tax Credits in 2018, and their application was successful. Authorization is now requested to accept a proposal and enter into a disposition contract with Granada Apartments LP for the conveyance of these properties. The purchase price is \$125,000 plus costs, with the redeveloper to be credited \$25,000 at closing to reflect a URA donation/discount made in support of the redeveloper’s application for a 2019 Federal Home Loan Bank of Pittsburgh Affordable Housing Program grant.

The project budget is approximately \$14,500,000. Approved MWBE and MWI narratives for the project are on file, and a final MWBE plan will be required prior to closing. Prior to the sale of this property, the proposed development will again be presented to the URA Board for approval of final working drawings and evidence of financing and for authorization to execute the deed.

Granada Apartments LP is a Pennsylvania limited partnership between Hill CDC and CHN, with a mailing address of 2015 Centre Avenue #2, Pittsburgh, PA 15219. Granada Square Apartments, LLC is the General Partner.

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Ms. Milliones recognized the partnerships that they have with the Authority and HACP in advancing this project. She stated that they have been working to redevelop along the Centre Avenue corridor for many years. She believes that this project is a great signal to the neighborhood and to the broader City. She stated that they are excited in receiving tax credits. They are also excited to be offering affordable commercial space for the small business communities.

Upon a motion to approve by Ms. Lavelle, seconded by Ms. Powell, and unanimously carried, the following resolution was adopted:

RESOLUTION NO. 6 (2019)

RESOLVED: That the Redevelopment Proposal submitted by Granada Apartments LP, for the sale of Block 10-N, Lots 267, 268, 269, 270, 274, 275, 276, 278, 279, 280, 289, and 290, in the 5th Ward, and execution of a disposition contract by sale to Granada Apartments LP, for \$125,000 plus costs are hereby approved, and the Executive Director, Deputy Executive Director and/or Chief Financial Officer, on behalf of the Authority, is hereby authorized to execute said disposition contract and related documents to effectuate said sale, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

13. MOKA Art Gallery – Small Business Loan

- a. Loan not to exceed \$72,000 to MOKA Art Gallery or related entity.

Ms. Walker requested Board approval of the above item.

Mr. Tom Link the Center for Innovation and Entrepreneurship Director presented that MOKA Art Gallery is an arts and community gathering space located at 2297 Centre Avenue in the middle Hill District.

Owned by long time community residents Errol “Mobutu” Reynolds and Charlotte Ka, MOKA Art Gallery is an important center of economic and community life in the Hill District.

In 2019, Errol and Charlotte completed a renovation project at 2297 Centre Avenue that includes first floor commercial gallery/education/community space, second floor arts studio, 3rd floor apartments for artists in residence, and a 4th floor apartment.

The approximate \$400,000 project was completed utilizing a bank loan, a loan from Bridgeway Capital, a URA façade grant, and personal equity from Errol and Charlotte.

The URA loan considered here will replace the Bridgeway Capital loan. The Bridgeway Capital loan has an approximate \$72,000 outstanding balance and carries a 11.5% annual interest rate.

URA loan terms:

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Amount: Not to exceed \$72,000

Interest rate: 2% annually

Term: 10 years, 2 years interest only. \$35,000 will be forgiven after 2 years if the gallery and community space remain in operation.

Errol "Mobutu" Reynolds and Charlotte Ka

MOKA Art Gallery

2297 Centre Avenue

Pittsburgh, PA 15219

Source of funds will be CLRA and / or Community Development Investment Fund monies.

Errol Reynolds, owner of the MOKA Art Gallery, was present. Mr. Reynolds stated that they are grateful to the Authority for the assistance that they have received. He stated that this gallery will have a great impact on the neighborhood. He stated that the Authority had saved them from going under. He stated that they are looking forward to doing a lot more great things in the neighborhood.

Ms. Charlotte Ka, owner of the MOKA Art Gallery, was present. Ms. Ka stated that she is grateful to the Authority. and will "love the URA forever". She also stated that when you come down Centre Avenue and see the mosaic it is because of the URA. She stated that they had received a façade grant that enable them to place the mosaic in front of the gallery.

Mr. Williamson stated that their current loan has a 11½ % interest rate and will be replaced with a 2% interest rate.

Mr. Gainey congratulated Mr. Reynolds and Mrs. KA on their gallery. He recognized their hard work in the last fifteen years on doing something major in the Hill District. He stated that this is their opportunity and knows they will "seize the moment".

Ms. Walker noted that there has been a lot of questions regarding the Centre Avenue RFQ. She stated that the vision came from Mr. Reynolds and Mrs. Ka. She thanked them for being pioneers. She stated that their project is the first to be completed along the Centre Avenue corridor in years.

Mr. Lavelle congratulated Mr. Reynolds and Ms. Ka. He stated that this is the first private money to be reinvested in Centre Avenue in decades. He stated that it is replacing a pay day loan. He believes that Bridgeway Capital should be ashamed in offering them the 11% interest rate. He thanked the Authority for being "the better man" in this situation. He stated that as an organization we need to consider how to begin filling this space.

Upon a motion to approve by Ms. Gainey, seconded by Mr. Lavelle, and unanimously carried, the following resolution was adopted:

January 16, 2020

RESOLUTION NO. 7 (2020)

RESOLVED: That a loan to MOKA Art Gallery or related entity, that will replace the Bridgeway Capital loan in the amount of \$72,000, payable from the CLRA and / or Community Development Investment Fund is hereby approved, and the Executive Director, Deputy Executive Director and/or Chief Financial Officer, on behalf of the Authority, is hereby authorized to execute a loan agreement and related documents therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

14. Small M/WBE Business Line of Credit Program – Hill District Federal Credit Union

- a. Non-member deposit not to exceed \$150,000 to Hill District Federal Credit Union in support of a small M/WBE Business Line of Credit program.

Ms. Walker requested Board approval of the above item.

Mr. Link presented that the URA endeavors to have a robust toolbox of services in support of small, minority and/or women owned businesses.

The URA has advanced this goal by supporting financing and wrap around service programs such as the Micro Enterprise Fund loan program, M/WBE programs services, Catapult, the Riverside Center for Innovation's Diversity Business Resource Center BizFit Program, and the Credit Building program in partnership with Axiom. All these efforts serve in part to support the financial, technical assistance, and professional capacity building needs of small M/WBE businesses.

During the support of these programs, the URA has come to understand there is a strong need for businesses such as contractors to have access to affordable lines of credit. Capital access is a critical piece of sound cash flow management for small contractors as they take on work—to have the necessary upfront cash to hire and source materials and equipment as new jobs.

The Hill District Federal Credit Union has long worked with private lenders and others to operate business line of credit programs through the model proposed here.

This authorization will allow the URA to make a non-member deposit in the Hill District Federal Credit Union to fund a small business line of credit program. The deposit will be used as a guarantee against the lines of credit. Lines of credit will be approved or declined based on the lending guidelines of the Hill District Federal Credit Union. The URA will have opportunity to receive non-member dividends and at an agreed upon date in the future (TBD) withdraw the deposit at discretion.

This will allow, initially, for 14-28 new lines of credit with opportunity to grow as repayments revolve. The minimum line will be \$5,000 up to \$10,000. Underwriting, closing, and servicing will be housed with the Hill District Federal Credit Union.

January 16, 2020

Richard Witherspoon
Treasurer / CEO
Hill District Federal Credit Union

Source of Funds will be CLRA, PAYGO, and/or state repayments.

Richard Witherspoon, CEO of the Hill District Federal Credit Union, was present. Mr. Witherspoon stated that they have been doing small business lines of credit since 2013. He stated that they have approximately forty on their books. He stated that since 2013 they have lost approximately six. He stated that about a month or so ago that they are the oldest business in the Hill District. He stated that they are stabilized, and their mission is to “serve the underserved”. He stated that they offer capital and resources to those who do not have an opportunity elsewhere.

Mr. Lavelle recognized the tremendous work that they do. He stated that the state of affairs among the communities dictates the choice of relocation because of the lack of sustainability. He stated that if there is going to be a change in the affordable housing conversation there needs to be a conversation about the economics of the community. He stated that a way of doing that is working with small businesses so they can grow.

Upon a motion to approve by Ms. Lavelle, seconded by Mr. Gainey, and unanimously carried, the following resolution was adopted:

RESOLUTION NO. 8 (2020)

RESOLVED: That a non-member deposit in the amount not to exceed \$150,000 to the Hill District Federal Credit Union in support of a small M/WBE contractor Line of Credit program is hereby approved.

AGENDA “B”

The Members reviewed the items on Agenda “B” upon motion made by Mr. Lavelle, seconded by Mr. Gainey, and unanimously carried, the following resolutions were adopted:

1. Central Business District – 412 Boulevard of the Allies
 - a. Amendment of agreement with Information Technologies Services, dated November 14, 2019, for the design and installation of secured access system in the elevators at 412 Boulevard of the Allies to include secured access in common areas for an increase of \$20,000, for a total Agreement amount not to exceed \$40,000.

January 16, 2020

RESOLUTION NO. 9 (2020)

RESOLVED: That amendment of Agreement with Information Technologies Services, dated November 14, 2019, for the design and installation of secured access system in the elevators at 412 Boulevard of the Allies, for an increase of \$20,000, with a total amount of up to \$40,000 is hereby approved, and the Executive Director, Deputy Executive Director and/or Chief Financial Officer, on behalf of the Authority, is hereby authorized to execute an amendment therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

- 2. Waiver of PHCF guidelines to award a grant of \$50,000 to the Hazelwood Initiative for the rehabilitation of 107 Glen Caladh.

RESOLUTION NO. 10 (2020)

RESOLVED: That a waiver of PHCF guidelines to award a grant of \$50,000 to the Hazelwood Initiative for the rehabilitation of 107 Glen Caladh is hereby approved.

- 3. Approval of Joann Lewis to receive a Down Payment Closing Cost Assistance Deferred Loan. Ms. Lewis is the mother of Diamonte Walker, an employee of the Urban Redevelopment Authority of Pittsburgh.

RESOLUTION NO. 11 (2020)

RESOLVED That approval of Joann Lewis, the mother of Diamonte Walker, an employee of the Urban Redevelopment Authority of Pittsburgh to receive a Down Payment Closing Cost Assistance Deferred Loan is hereby approved.

- 4. Perry South – Ballfield Farm
 - a. Acquisition of the following publicly owned properties for \$1.00 plus costs using Strategic Site Acquisition, Leased Land and/or Disposition Proceeds:

<u>Ward</u>	<u>Block/Lot</u>	<u>Address</u>
26	45-H-264	0 Copen Way
26	46-A-310	0 Trimble Street
26	46-A-323	0 Trimble Street

January 16, 2020

RESOLUTION NO. 12 (2020)

RESOLVED: That the acquisition of the following publicly owned properties, for \$1.00 plus costs, payable from Strategic Site Acquisition, Leased Land and/or Disposition Proceeds, is hereby approved, and the Executive Director, Interim Executive Director, Deputy Executive Director and/or Chief Financial Officer, on behalf of the Authority, is authorized to execute all documents required for said acquisition, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto:

<u>Ward</u>	<u>Block/Lot</u>	<u>Address</u>
26	45-H-264	0 Copen Way
26	46-A-310	0 Trimble Street
26	46-A-323	0 Trimble Street

5. East Liberty

- a. Certificate of Completion for East Liberty Development, Inc., for Block 83-R, Lot 77, in the 11th Ward, and authorization to return the Good Faith Deposit (6497-6499 Centre Avenue – residential redevelopment).

RESOLUTION NO. 13 (2020)

RESOLVED: That issuance of a Certificate of Completion to East Liberty Development, Inc, for Block 83-R, Lot 77, in the 11th Ward, and return of the Good Faith Deposit 6497-6499 Centre Avenue – residential redevelopment) are hereby approved, and the Executive Director, Interim Executive Director, Deputy Executive Director and/or Chief Financial Officer, on behalf of the Authority, is hereby authorized to execute said Certificate of Completion, and the Secretary or the Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

6. \$1,000,000 RACP Bridge Loan to Action Housing's Flats on Forward project, or related entity. Terms: 4.5% interest rate, 3 years or receipt of RACP grant. Source of Funds: Pittsburgh Development Fund.

RESOLUTION NO.14 (2020)

RESOLVED: That a Redevelopment Assistance Capital Program bridge loan to Action Housing's Flats on Forward project, or related entity with a three (3) year term, and a 4.5% interest rate, in the amount of \$1,000,000, payable from the Pittsburgh Development Fund (PDF), is hereby approved, and the Executive Director, Interim Executive Director, Deputy Executive Director and/or Chief Financial Officer, on behalf of the Authority, is hereby authorized to execute a loan agreement and related documents therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

January 16, 2020

7. Fee Agreement between URA and PEIDC regarding PIDA loan fees.

RESOLUTION NO. 15 (2020)

RESOLVED: That a fee agreement with Pittsburgh Economic Development Corporation (PEIDC) for PIDA loan fees is hereby approved and the Executive Director, Interim Executive Director, Deputy Executive Director and/or Chief Financial Officer, on behalf of the Authority, is hereby authorized to execute a fee agreement therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

8. Add Responsive Community Partners (Jason Tigano- Principal) to small business technical assistance slate.

RESOLUTION NO. 16 (2020)

RESOLVED: That the addition of Jason Tigano, of Responsive Community Partners to the small business technical assistance slate is hereby approved.

There being no further actions to come before the Members, the Meeting was adjourned.

DocuSigned by:
Theresa Schacht
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Assistant Secretary