

Minutes of the Regular Board Meeting of the Urban Redevelopment Authority of Pittsburgh,
Wherrett Memorial Room, 13th Floor, John P. Robins Civic Building, 200 Ross Street

January 10, 2019 – 2:00 P.M., E.S.T.

Members Present: Gainey, Hall-Russell, Lavelle, Williamson

Members Absent: None

Staff Present: Rubinstein, Cummings, Nuemah, Nemani-Stanger, Kaminski, Clark, Link, Chintalapalli, Smith Perry, Wrenshall, Powell, Saladna, Brooks, Walker, Moses, Howe, Reese, Pontarelli, Meier, Fitzgibbons, O’Leary, Davidson, Mitchell, Reid, Wasler, Geiger, Bohince, Mayer, Dolan, Morris, and Schacht.

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

1. Executive Session

- a. Mr. Gainey announced two Executive Sessions that were held on December 17, 2018 regarding policy proposals, strategic planning and the 2019 drafted administrative budget and January 3, 2019 regarding the 2019 administrative budget.

2. General

- a. Approval of the Minutes of the Regular Board Meeting of December 13, 2018.

3. Announcements

a. RFP’s, RFQ’s and Bids

- i. Request for Proposals (RFP) for Service Providers to participate in the Housing Stabilization Program (HSP) will be released by January 17, 2019. Submittals will be due on Thursday February 14, 2019.
- ii. Request for bids for the Larimer School Stabilization.

- b. Catapult – First cohort ‘Start Up to Storefront’ Graduation event Monday January 7, 2019 6-8pm@Gallery on Penn (5935 Penn Ave, East Liberty).

- c. Inclusive Innovation Summit – March 28-30 – currently seeking Proposals for programs/speakers-RFP closes January 31, 2019, <https://weinnovatepgh.net/inclusive-innovation-summit-2019/>.

- d. CIE Dashboard – Monthly production report, updates, and highlights.

- e. TWG MWBE Outreach Event: 6:00 p.m., January 17, 2019, at SpringHill Suites at SouthSide Works.
- f. Mr. Rubinstein introduced Kate Wrenshall as the Authority's new Senior Counsel.

4. Perry North (Observatory Hill) – Five Points Development

- a. Housing Opportunity Fund Rental Gap Program Loan Agreement in the amount of \$240,000 with Observatory Hill Development Corporation and/or an entity to be created for the redevelopment of 3917, 3923, and 3925 Perrysville Avenue.
- b. Rental Housing Development and Improvement Program (RHDIP) Loan Agreement in the amount of \$180,000 with Observatory Hill Development Corporation and/or an entity to be created for the redevelopment of 3917, 3923, and 3925 Perrysville Avenue.

Mr. Rubinstein requested Board approval of the above items.

Ms. Jessica Smith Perry, Director of the Housing Opportunity Fund stated that authorization is requested to enter into the above-mentioned agreements with Observatory Hill Development Corporation and/or an entity to be created to provide combined construction/permanent financing for the renovation of three mixed-use buildings located at 3917, 3923, and 3925 Perrysville Avenue.

Observatory Hill Development Corporation (OHDC) owns three vacant, abandoned buildings in the heart of the small Observatory Hill business district and adjacent to Perry High School. 3917, 3923, & 3925 Perrysville Avenue are located on a highly visible corner in the neighborhood. Past owners were unable to maintain the properties. OHDC plans to rehabilitate the buildings into ground floor commercial space and six upper floor residential units. Five of the residential apartments will have two bedrooms and one will have one bedroom. Two residential apartments will be rented to households with incomes at or below 30% area median income (AMI) and four units will be rented to households with incomes at or below 50% AMI. Residential rents will range from \$428 to \$855 per month per unit. The ground floor commercial space will be rented to the Northside Community Loan Fund and to one yet to be determined tenant (anticipated to be a restaurant) for \$15 per square foot.

OHDC is in the midst of a multi-faceted strategic approach to the revitalization of the neighborhood. This long-term revitalization strategy has seen the preservation of Perry High School as the last public high school in the North Side, rehabilitation of the historic fire house, construction of a new state of the art soccer field, and the renovation of 10 houses on Bonvue Street. OHDC is currently targeting the commercial core which includes the Five Points project.

OHDC is the neighborhood's non-profit community development corporation. Dorrie Smith-Richie is the President of OHDC. OHDC uses project management services provided by the Northside Leadership Conference (NSLC). Mark Fatla is the Executive Director of the NSLC.

At its January 7, 2019 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 \$240,000. 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 Authority also already committed a Streetface grant in the amount of \$63,000 and a Community Development Investment Fund (CDIF) grant in the amount of \$35,000 for the commercial portion of the project.

Details of the development are as follows:

Developer:	Observatory Hill Development Corporation Dorrie Smith-Richie, President
Project Manager:	Northside Leadership Conference Mark Fatla, Executive Director 1319 Allegheny Avenue, 2 nd Floor Pittsburgh, PA 15233
Property Locations:	3917, 3923, and 3925 Perrysville Avenue Perry North
Ward:	26th
Description:	The rehabilitation of three mixed-use buildings into 5,813 sq. ft of ground floor commercial space and six upper floor affordable, residential units.
Architect:	VAF Architecture 181 Goldsmith Road Pittsburgh, PA 15237
General Contractor:	To be determined
Total Development Costs:	\$ 1,953,610
Construction Financing Sources:	
Bank Loan	\$ 458,925

NSCDF Loan	\$	550,000
Buhl Grant	\$	16,000
PHFA CRFP Grant	\$	160,685
CITF Grant	\$	175,000
GEDF Grant	\$	<u>75,000</u>
Total Non-URA Financing:	\$	1,435,610
Authority Financing:		\$35,000 - CDIF Grant (previously approved)
		\$63,000 – Streetface (previously approved)
		\$240,000 – HOF RGP Loan – 0% interest rate, 30-year term, repayment based on available cashflow
		\$180,000 – RHDIP loan – 2% interest rate, 30-year term, repayment based on available cashflow
Total URA Financing:	\$	518,000
Total Financing:	\$	1,953,610
Program Benefit:		The renovation of 3917, 3923 and 3925 Perrysville Avenue will revitalize three vacant and abandoned structures in the heart of Observatory Hill. The development will also create much needed affordable housing adjacent to Perry High School and minutes away from Downtown Pittsburgh.
HOF Advisory Board Review:		Approved at the HOF Advisory Board Meeting on January 7, 2019.
Real Estate Loan Review Committee:		To be presented at the Real Estate Loan Review Committee on January 9, 2019.
M/WBE Review Committee Status:		MWBE narrative submitted and approved. A final MWBE plan will be required prior to closing.

Ms. Dorrie Smith-Richie, of Observatory Hill Development Corporation, was present. Ms. Smith-Richie stated that they are excited about this project. She stated that they have been working on this plan for the last five to six years. She stated that they had rehabilitated five homes on Bondvue that had been sold within six months. She stated that their goal is to revitalize the business district and move into the second phase of this project.

Mr. Mark Fatla, Executive Director of the Northside Leadership Conference, was present. Mr. Fatla stated that it has been great working with volunteers from this neighborhood who have a strategic vision and want to contribute to their community. He stated that there has been a gap of affordable home ownership and rental in this neighborhood and this project will fill that gap.

Mr. Rubinstein stated that additionally, an existing Authority Housing Residential Support Program, Rental Housing Development Improvement Program and HOF resources has been applied that will provide a deeper level of affordability to this project.

Mr. Williamson stated that this project is an example of the need for the HOF. He asked if the 2018 HOF funds are still being utilized for this project. Ms. Smith Perry answered in the affirmative.

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

RESOLUTION NO. 1 (2019)

RESOLVED: That a loan to Observatory Hill Development Corporation and/or an entity to be created for the redevelopment of 3917, 3923, and 3925 Perrysville Avenue, in an amount up to \$240,000, payable from the Housing Opportunity Fund Rental Gap Program, is hereby approved, and the Executive Director, Director of Finance 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.

RESOLUTION NO. 2 (2019)

RESOLVED: That a loan to Observatory Hill Development Corporation and/or an entity to be created for the redevelopment of 3917, 3923, and 3925 Perrysville Avenue, in an amount up to \$180,000, payable from the Rental Housing Development and Improvement Program (RHDIP), is hereby approved, and the Executive Director, Director of Finance 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.

4. East Liberty – Mellon’s Orchard South Phase I

- a. Proposal and form of contract for the sale of Block 83-P, Lots 60 and 225 (part), in the 11th Ward to Mellon’s Orchard Housing LLC for \$600,000.

Mr. Rubinstein requested Board approval of the above item.

Mr. Tom Cummings, Director of Housing stated that at its meeting of September 17, 2017, the Board of this Authority approved a period of exclusive negotiations with TREK Development Group for the sale of Block 83-P, Lot 60, and a portion of Block 83-P, Lot 225, both vacant parcels in East Liberty. The parcels are located at 5820-5830 Station Street (Block 83-P, Lot 60) and 244-271 North Beatty Street (Block 83-P, Lot 225). After allowing for reconnection of Harvard and North Beatty streets, the area of the property to be conveyed will total approximately 43,200 square feet.

Authorization is now requested to accept Mellon's Orchard Housing LLC's proposal to acquire these parcels and to redevelop them with a 47-unit mixed-income multi-family development, including 37 affordable units and 10 market rate units.

The project will include 35 apartments and 12 townhouses. The townhouses, all one-bedroom units, will have live-work layouts with a large flexible first floor space with transparency at the ground level to promote pedestrian traffic and potential for sales or gallery space. The apartments will include 25 one-bedroom and 10 two-bedroom units in a three-story, walk-up building.

The 37 affordable units will include 4 affordable to households with incomes of 20% of area median income (AMI), 20 affordable to households with incomes of 50% of AMI, and 13 affordable to households with incomes of 60% of AMI.

Amenities will include a community room and parking for 33 cars.

The project will be designed and constructed to meet Enterprise Green Communities Certification, including Energy Star requirements, with a green roof that will contribute to storm water mitigation. The building will be durable and energy efficient, with high indoor air quality resulting in a healthy living environment. Each apartment will have its own independently controlled high-efficiency condensing gas furnace and split-system air conditioning unit. Kitchen appliances will include a full-size refrigerator/freezer, electric range, vented range hood, and dishwasher.

All ground-floor apartments will meet PHFA (Pennsylvania Housing Finance Agency) visitability requirements, and six of those apartments will be fully accessible to individuals with mobility or sensory impairments. An additional standard unit will also be equipped for the hearing and vision impaired.

The total project cost is estimated at \$13,485,563. The project has received an allocation of 9% Low Income Housing Tax Credits and the developer will also be seeking financing from the URA and PHFA through the PHARE (Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund) Program.

An approved MWBE Narrative for the project is on file. A final MWBE plan will be provided prior to closing.

Mellon's Orchard Housing LLC is a single-purpose entity formed by TREK Development Group. It has a mailing address of 130 7th Street, Suite 300, Pittsburgh, PA 15222. William J. Gatti is Managing Member.

Dr. Hall-Russell asked about the timeline. Mr. Cummings answered approximately fifteen months. Mr. Gainey asked about the number of units added to Phase II. Mr. Cummings answered forty-two total units at 75% affordability.

John M. Ginocchi, of Trek Development, was present. Mr. Ginocchi stated that they appreciate the role of the Authority with this project. He stated that they have attended many community meetings and made a preference to assist Penn Plaza tenants. Mr. Cummings acknowledged Colette O'Leary's, and the Authority's Economic Development Department for their hard work on this project. Mr. Lavelle asked about additional funding sources. Mr. Cummings answered that there is a commitment from the Housing Authority of the City of Pittsburgh for project-based vouchers that meets the 20% AMI. Mr. Williamson asked if the affordable housing is being tracked on an annually basis. Mr. Rubinstein answered in the affirmative.

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

RESOLUTION NO.3 (2019)

RESOLVED: That the Redevelopment Proposal submitted by Mellon's Orchard Housing LLC, for the sale and redevelopment of Block 83-P, Lots 60 and 225 (part), in the 11th Ward, and execution of a disposition contract by sale to Mellon's Orchard Housing LLC, for \$600,000 are hereby approved, and the Executive Director, Director of Finance 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.

5. Larimer – 20 & 218 Mayflower Street Rehabilitation for Resale

- a. UDAG Program Income Fund (UPIF) loan agreement with Pittsburgh Housing Development Corporation in an amount of up to \$110,000.
- b. Pittsburgh Housing Construction Fund (PHCF) Grant Agreement with Pittsburgh Housing Development Corporation in an amount of up to \$185,000 and a waiver of PHCF administrative guidelines.
- c. Housing Recovery Program – Developer (HRP-D) Agreement with Pittsburgh Housing Development Corporation in an amount of up to \$100,000.

Mr. Rubinstein requested Board approval of the above items.

Mr. Cummings stated that authorization is requested to approve the above agreements for a housing rehabilitation for resale project in the Larimer neighborhood of the City of Pittsburgh. The Pittsburgh Housing Development Corporation (PHDC) is the Urban Redevelopment Authority of Pittsburgh non-profit housing development affiliate, tasked with the creation of housing in low-to-moderate income neighborhoods.

In 2014, the neighborhoods of Larimer and East Liberty were awarded a \$30 million Federal Choice Neighborhoods Implementation Grant (CNIG) for the comprehensive redevelopment of the Choice Neighborhoods area. Over the past four years, the CNIG and other public and private funds have been used to demolish obsolete deteriorating housing and to date 234 new mixed income rental housing units have been developed or are under construction. Two additional mixed-use, mixed-income rental developments are planned to add an additional 84 rental units. One of the future developments will provide an opportunity to create space to support community food, health, and wellness objectives which is a high priority of the community. The CNIG funds have also been used to design a 3 ½ acre park that should be under construction in 2019. The park will feature a community plaza, open lawn and picnic areas, and dynamic playground elements plus significant green infrastructure. Additionally, 54 owner-occupants in Larimer have received CNIG grant funds to complete façade renovations to their homes and additional façade grants will be provided to at least 35 owners.

The Larimer Consensus Group (LCG) and the Larimer Community Watchers (LCW) are supportive of the development of for-sale housing in the neighborhood for the purposes of (1) stabilizing existing home values, (2) increasing homeownership opportunities, and (3) balancing the neighborhood housing rental/homeowner mix.

In 2017 the PHDC purchased two properties from East Liberty Development, Inc. (ELDI). The interiors of both properties were demolished down to the studs and PHDC contracted with Milton Ogot, an MBE architect to complete plans and specifications. The renovations will include new roofs, new windows, new doors, new electrical, plumbing, and HVAC (furnace and air conditioning units), new kitchens, new baths, new interior walls, landscaping, refinished and/or new wood floors, and painting. Pursuant to a previously executed development agreement, PHDC intends to enter into a construction contract with AONE Contracting and Supplies, LLC, a local MBE firm, to rehabilitate the two homes. The total project cost is budgeted at \$598,000. The proposed sale prices are \$192,500 and \$210,000.

A waiver of PHCF Administrative guidelines is requested to provide a grant in excess of \$30,000 per unit. The waiver is necessary to write down the project total development costs to an economically feasible level.

Upon completion and sale of these two (2) homes, additional properties will be considered for future development by PHDC.

Details of the development are as follows:

Developer: Pittsburgh Housing Development Corporation
 Aggie Brose, President
 200 Ross Street, 12th Floor
 Pittsburgh, PA 15219

Location: 20 and 218 Mayflower Street
 Larimer neighborhood

Ward: 12th Ward

Description: Acquisition and rehabilitation of two single family homes for sale to owner occupants with incomes below 115% area median income (AMI).

Architect: Milton Ogot
 320 Anthon Drive
 Pittsburgh, PA 15235

General Contractor: AONE Contracting and Supplies, LLC
 Emmett Miles, CEO
 7101 Upland Street
 Pittsburgh, PA 15208

Total Development Cost: \$598,000

Sales Price: \$192,500 (20 Mayflower Street)
 \$210,000 (218 Mayflower Street)

Construction Financing Sources:

URA Financing Sources:

UPIF Loan	\$	110,000
PHCF Grant	\$	<u>185,000</u>
Total URA Financing	\$	295,000

Other Financing Sources:

Dollar Bank FSB Loan	\$	257,000
Dollar Bank FSB Grant	\$	10,000
<u>Deferred Costs</u>	\$	<u>36,000</u>
Total Other Financing	\$	303,000

Authority Financing:

\$110,000 - UPIF loan: 2% interest rate, 36 month term.

\$185,000 - Pittsburgh Housing Construction Fund (PHCF) Grant.

Program Benefit: This development will improve the existing housing stock and will help to maintain and enhance the economic diversity of Larimer by providing affordable for sale homeownership opportunities.

Real Estate Loan Review Committee Status: To be presented at the January 9, 2019 Real Estate Loan Review Committee Meeting

M/WBE Review Committee Status: M/WBE narrative submitted and approved. A final M/WBE plan will be required prior to closing.

Emmett Miles, CEO, of AONE Contracting and Supplies, LLC, was present. Mr. Miles thanked the Mayor’s Office, the Authority and Mr. Gainey for their support in moving forward with this project. He stated that this has been a long process and believes that projects such as this are needed in communities.

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

RESOLUTION NO. 4 (2019)

RESOLVED: That a loan to Pittsburgh Housing Development Corporation for a housing rehabilitation for resale project in the Larimer neighborhood of the City of Pittsburgh, in an amount up to \$110,000, payable from the UDAG Program Income Fund (UPIF), is hereby approved, and the Executive Director, Director of Finance 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.

RESOLUTION NO.5 (2019)

RESOLVED: That a grant with Pittsburgh Housing Development Corporation for a housing rehabilitation for resale project in the Larimer neighborhood of the City of Pittsburgh, in an amount up to \$185,000, payable from the Pittsburgh Housing Construction Fund (PHCF), is hereby approved, and the Executive Director, Director of Finance and/or Chief Financial Officer, on behalf of the Authority, is hereby authorized to execute a grant agreement therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto; and it is

RESOLVED FURTHER: That a waiver of the PHCF Administrative guidelines to provide a grant in excess of \$30,000 per unit is hereby approved.

RESOLUTION NO.6 (2019)

RESOLVED: That an agreement with Pittsburgh Housing Development Corporation for a housing rehabilitation for resale project in the Larimer neighborhood of the City of Pittsburgh, in an amount up to \$100,000, payable from the Housing Recovery Program – Developer (HRP-D), is hereby approved, and the Executive Director, Director of Finance and/or Chief Financial Officer, on behalf of the Authority, is hereby authorized to execute an agreement therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

6. East End – HELP Initiative

- a. Grant agreement with East Liberty Development Inc. in the amount of \$54,000 to continue implementation of Pittsburgh’s HELP initiative.
- b. Amendment of the 2018-2019 Paygo Cooperation Agreement with the City of Pittsburgh for an increase of \$54,000 to the Economic Development and Housing line item to be used for the HELP initiative.

Mr. Rubinstein requested Board approval of the above items.

Mr. Nathan Clark, Director of Real Estate stated that at its meeting of July 14, 2016, the Board of this Authority approved a \$200,000 grant to East Liberty Development Inc. (ELDI) to fund implementation of Pittsburgh’s HELP Initiative.

An effort led by Councilman Burgess and Mayor Peduto, the Homewood, East Hills, East Liberty, Lincoln-Lemington-Belmar, and Larimer Protection Initiative (HELP) is a comprehensive resident-driven initiative to protect, strengthen, and rebuild targeted East End communities. The creation of an East End multi-neighborhood affordable housing protection strategy capitalizes on both the

strengths and the opportunities in the East End market. The HELP Initiative's overall goals are to:

- Preserve and increase affordable housing choices, and
- Develop diverse, mixed-income, sustainable communities.

The original \$200,000 grant was used over the past two years to provide a range of activities and services, including capacity-building, technical assistance, and a market study, to further the goals of the HELP Initiative. We are now requesting authorization to grant an additional \$54,000 to ELDI to continue this work.

We are also requesting authorization to amend the 2018-2019 Paygo Cooperation Agreement with the City of Pittsburgh for an increase of \$54,000 to the Economic Development and Housing line item to fund this work.

Formed in 1979, ELDI is a community development corporation in Pittsburgh's East Liberty Neighborhood. ELDI works in collaboration with neighborhood stakeholders in areas of planning, advocacy, facility, and investment to bring about positive change to the community. ELDI has a proven track record of successfully working with various community organizations within the East End in addition to their work within the East Liberty Neighborhood. This expertise and capacity will enable ELDI to successfully implement the goals of Pittsburgh's Help Initiative.

Funding Source: 2018 Paygo Funds.

Principal:
Maelene Myers, Executive Director
East Liberty Development Inc.
100 N. Sheridan Avenue, Fourth Floor
Pittsburgh, PA 15206
412 361-8061

There was no discussion among the Members.

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

RESOLUTION NO. 7 (2019)

RESOLVED: That a grant with East Liberty Development Inc. in the amount of up to \$54,000, to continue implementation of Pittsburgh's HELP initiative, payable from 2018 PAYGO Funds is hereby approved, and the Executive Director, Director of Finance and/or Chief Financial Officer, on behalf of the Authority, is hereby authorized to execute a grant agreement therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

RESOLUTION NO. 8 (2019)

RESOLVED: That amendment of the 2018-2019 Paygo Cooperation Agreement with the City of Pittsburgh, for the HELP initiative, for an increase of \$54,000 to the Economic Development and Housing line item for an amended total amount of \$3,340,320, is hereby approved, and the Executive Director, Finance 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.

7. Citywide – LandCare

- a. Agreement with KRJ Enterprises, Inc., for property maintenance services, for an amount not to exceed \$135,000.
- b. Agreement with City Source Associates, Inc., for property maintenance services, for an amount not to exceed \$135,000.
- c. Agreement with Chatman Properties LLC for property maintenance services, for an amount not to exceed \$80,000.

Mr. Rubinstein requested Board approval of the above items.

Mr. Clark stated that at its August 16, 2018, meeting, the Board of this Authority approved eight contracts for the maintenance of approximately 400 URA-owned parcels as part of LandCare Tier 2 (Resolution No. 257 of 2018). The URA recently released an RFP for LandCare Tier 1, for the ongoing property maintenance of the remaining approximately 950 URA-owned parcels, including approximately 900 parcels of vacant land and 50 residential and small commercial structures.

Services related to this contract include the removal and disposal of debris; cutting of grass and general overgrowth; tree removal; snow removal and de-icing sidewalks and drives; securing and repairing structures; response to emergency situations; posting “No-Dumping,” “No Trespassing,” “No Parking,” and other signs as needed; repair of fencing, cables, and damaged locks; and clean-out of non-hazardous materials from lots, all on an as-needed basis. The Tier 1 contract breaks the portfolio down into “Active” and “Request Only” maintenance levels.

Active (~850 parcels) – Vacant lots and structures along high visibility corridors, residential neighborhoods, and wooded parcels with frontage along a right of way. Active parcels are to be visited and maintained on a monthly basis, or more frequently if necessary.

Request Only (~100 parcels) – Parcels that are heavily wooded and steeply sloped, not highly visible and not fronting rights of way. Request Only parcels are to be visited once every three months at minimum to ensure that no hazardous or problematic conditions exist.

These categories were created through mapping analysis as well as studying a year's worth of maintenance activity on URA-owned parcels. The intention is to strategically focus time and resources in areas that need it most.

New to this contract year and to help facilitate the new intra-departmental structure stabilization initiative, the selected firms will also be completing a quarterly conditions survey, with photo documentation of each structure in the portfolio, to inform any additional work the URA may need to complete to maintain the structural integrity of its inventory.

There were seven firms present at the Tier 1 Pre-Proposal Meeting held at the URA on November 14, 2018. Five firms responded to the RFP. Three of the respondents are minority-owned businesses, one is woman-led, and all employ minorities and women.

Proposals were evaluated using the selection criteria outlined in the RFP. Based upon this evaluation, the portfolio will be divided amongst three firms, breaking the inventory into: region, parcel type (land or structure), and maintenance level (Active or Request Only) between the three contractors. This division provides for continued small business growth for two firms who have existing Tier 2 contracts, creates or retains 33 jobs, and adds a workforce development component to the Tier 1 contracts.

The contract period will be for ten (10) months in order to coordinate the expiration of the Tier 1 and Tier 2 agreements for the following contract year, merging the tiers into one RFP as the program completes its three-year pilot design and implementation phase.

The three selected firms and their organization structure are as follows:

- KRJ Enterprises, Inc., located at 5540 Baywood Street, Pittsburgh, PA 15206 - for-profit, MWBE certified, for an amount not to exceed \$135,000;
- City Source Associates, Inc., located at 401 Bingham Street, Pittsburgh, PA 15203 – for-profit, for an amount not to exceed \$135,000; and
- Chatman Properties LLC, located at 881 Progress Street, Pittsburgh, PA 15212 – for-profit, MBE, for an amount not to exceed \$80,000.

The funding source for this work will be a combination of the Industrial Land Reserve Fund, Residential Land Reserve Fund, Leased Land, and various Project funds.

Mr. Williamson asked about the Tier 1 and Tier 2 difference. Mr. Clark answered that Tier 1 included a larger bundle of 950 properties, and Tier 2 included smaller bundles geared toward smaller and non-profit companies so that they could meet the standards of property maintenance. He stated that they have been more complacent with transferring properties from Tier 1 and increasing the smaller bundles in Tier 2. Mr. Clark stated that the goal next year is to

phase out the Tier 1 and Tier 2 distinction. Mr. Williamson asked about the number of jobs needed to maintain all properties. Mr. Evan Miller, of the Authority Economic Department answered approximately fifty to sixty and varies on which contractor will be used.

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

RESOLUTION NO. 9 (2019)

RESOLVED: That an agreement with KRJ Enterprises, Inc. for property maintenance services in an amount not to exceed \$135,000, payable from the Industrial Land Reserve Fund, Residential Land Reserve Fund, Leased Land, and various Project funds, is hereby approved, and the Executive Director or Director of Finance and/or Chief Financial Officer, on behalf of the Authority, is hereby authorized to execute an agreement therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

RESOLUTION NO. 10 (2019)

RESOLVED: That an agreement with City Source Associates, Inc. for property maintenance services in an amount not to exceed \$135,000, payable from the Industrial Land Reserve Fund, Residential Land Reserve Fund, Leased Land, and various Project funds, is hereby approved, and the Executive Director or Director of Finance and/or Chief Financial Officer, on behalf of the Authority, is hereby authorized to execute an agreement therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

RESOLUTION NO. 11 (2019)

RESOLVED: That an agreement with Chatman Properties LLC for property maintenance services in an amount not to exceed \$80,000, payable from the Industrial Land Reserve Fund, Residential Land Reserve Fund, Leased Land, and various Project funds, is hereby approved, and the Executive Director or Director of Finance and/or Chief Financial Officer, on behalf of the Authority, is hereby authorized to execute an agreement therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

8. 412 Boulevard of the Allies

- a. Request for authorization to provide funding of up to \$50,000.00 for the URA's share of a \$205,000.00 expense to modernize a third passenger elevator at the building purchased in partnership with the City and the Housing Authority of the City of Pittsburgh (HACP).

Mr. Rubinstein requested Board approval of the above item.

Mr. Marty Kaminski, Director of Engineering and Construction stated that two of the three passenger elevators located at 412 Boulevard of the Allies are currently being modernized. The third elevator is in disrepair and is not functioning. The URA and its partners, the City and HACP, believe a functioning third elevator is necessary for efficient use of the building by both staff and the public.

A proposal was solicited from Industrial Commercial Elevator (ICE), the company currently modernizing the two elevators in the building. The dollar value of the work outlined in the proposal is \$205,000.00. The URA's share of that work based on its anticipated percentage of ownership is roughly 23.5% or just under \$50,000.00.

As this work will be performed via a change order to an existing contract between ICE and the URA/City/HACP, the M/WBE goals of the URA will not be required.

Authorization is requested to provide the URA's share of funding to modernize the third passenger elevator.

Industrial Commercial Elevator (ICE) is located in Cecil, PA (PO Box 262) 15321. Mr. Steven J. Cottrill is Director of Sales.

Project funding is provided from note proceeds on the bond issued for purchase of the building to be fronted by the General Fund.

Dr. Hall-Russell asked about the need for another elevator. Mr. Kaminski answered that there is a need for an additional elevator to accommodate the tenants. Mr. Williamson asked if this project is currently part of the anticipated expenditure. Mr. Kaminski answered in the negative. Mr. Rubinstein stated that the expense will come from the forty-million-dollar Bond that the City issued. Mr. Rubinstein stated that the Authority is fronting its portion that will be reimbursed.

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

RESOLUTION NO. 12 (2019)

RESOLVED: That funding up to \$50,000.00 be provided for the URA's share of a \$205,000 expense to modernize a third passenger elevator at the building purchased in partnership with the City and the Housing Authority of the City of Pittsburgh (HACP) is hereby approved, and the Executive Director or Director of Finance and/or Chief Financial Officer, on behalf of the Authority, is hereby authorized to execute a funding agreement therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

9. Lawrenceville

- a. 62nd Street Industrial Park – Site Preparation Contract No. 3 – Next Construction, Incorporated – for an increase of \$29,063.71, for a new total amount not to exceed of \$929,439.58.

Mr. Rubinstein requested Board approval of the above item.

Mr. Kaminski stated that authorization is requested to amend the October 20, 2016 Agreement with Next Construction, Inc. (Next), by an amount of \$29,063.71. The increased amount is due to increases to bid quantities and for extra work added to the contract. The increase includes costs for, but are not limited to, additional vehicular channelizing devices, pavement markings that were changed from waterborne paint to glass bead type paint and repainting of traffic lines that faded during construction. This is the third and final amendment to be presented to the Board for this project (Resolution Nos. 9 and 192, 2018).

The amount of the Agreement after this amendment is for a new total amount not to exceed of \$929,439.58.

Next Construction, Inc. is located at 2289 Cramden Road, Pittsburgh, PA 15241. Mr. James Deluliis is the President.

Project funding is provided by Project Fund – 62nd Street Tippins.

There was no discussion among the Members.

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

RESOLUTION NO.13 (2019)

RESOLVED: That amendment of the Agreement with Next Construction, Incorporated, dated October 20, 2016 for an increase of up to \$29,063.71, to increase bid quantities for extra work added to the 62nd Street Industrial Park – Site Preparation Contract No. 3, for a total Agreement amount not to exceed \$929,439.58, is hereby approved, and the Executive Director, Director of Finance 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.

10. URA Administrative Fee Schedule for Grants:

- a. Amendment of Board Resolution No 38 (2016) (which amended Resolution No. 326 of 2006) to adopt a revised URA Administrative Fee Schedule for Grants, to be effective January 10, 2019.

Mr. Rubinstein requested Board approval of the above item.

Mr. Rubinstein stated that over the past decade, the real value of URA Administrative Fees have declined significantly due to a variety of factors including increased overhead costs, growing regulatory requirements, and declining grant contract rewards. For smaller grants, the current policy also fails to offset the fixed costs incurred in managing grants of any size.

Authorization is requested to change our current fee schedule to a flat 2% with a minimum \$10,000 fee for all grant awards where the URA serves as the grantor. As previously authorized, the URA will continue to include (in addition to the above flat fee) an application fee between \$250 and \$1,000 depending on the nature of the application.

If adopted, the revised URA Administrative Fee Schedule for Grants addresses these policy concerns through two key revisions. The first revision implements a minimum fee of \$10,000 for all grants that more accurately reflects the fixed costs incurred for grants of any size. These fixed costs include acquiring public approvals, submitting applications, requisitioning funds, and complying with regulatory requirements on behalf of sub-grantees. The second revision will provide for a 2% flat fee to more accurately reflect the increased cost of managing grants.

This rate increase will go into effect for any grant facilitation where the subgrantee has not entered into a subgrant agreement with the URA as of January 10, 2019, regardless of when the grant was awarded.



URA ADMINISTRATIVE FEE SCHEDULE

For Grants

Revised January 10, 2019

The Urban Redevelopment Authority of Pittsburgh (URA) Board of Directors in January 2019, adopted a fee schedule applicable in any case where the URA serves as the grantor or the applicant for grants. The fee is intended to help cover certain administrative costs incurred by URA. These costs include obtaining public approvals, requisitioning/disbursement of funds and complying with regulatory requirements on behalf of the sub-grantee.

In order to recover some of these associated costs, the URA will apply a 2% flat fee^{1and2} based on the grant awarded³, along with an application fee.

In addition to the above flat fee, the URA will charge an application fee between \$250 and \$1,000, depending on the nature of the application, for cost recovery related to writing, compiling, and/or submitting grant applications on behalf of an applicant.

This fee policy will not apply to URA finance programs with existing program guidelines, for which fee policies currently exist. In addition, the administrative fee schedule does not include related legal, audit or inspection fees incurred by the URA.

Note: For Pennsylvania Redevelopment Assistance Capital Program (RACP) grants only, the fee will equal the greater of the amount calculated according to this schedule or a minimum of \$10,000.

¹ The URA, at the discretion of the Executive Director, reserves the right to deviate from the administrative fee schedule based on anticipated URA grant management workload.

² When the City of Pittsburgh is the sub-grantee, the RACP grant fee will be \$5,000 per grant.

³ This rate increase will go into effect for any grant facilitation where the subgrantee has not entered into a subgrant agreement with the URA as of 1/10/2019, regardless of when the grant was awarded.

There was no discussion among the Members.

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

RESOLUTION NO. 14 (2019)

RESOLVED: That Resolution No. 38 (2016) is hereby amended (which amended Resolution No. 326 of 2006) to adopt a revised URA Administrative Fee Schedule for Grants, to be effective January 10, 2019.

9. Adoption of the 2019 Administrative Budget.

- a. A report will be made at the Board Meeting.

Mr. Rubinstein executed a 2019 Administrative Budget presentation.

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

RESOLUTION NO. 15 (2019)

RESOLVED: That the 2019 Administrative Budget, as presented to the Board, is hereby approved; and it is

RESOLVED FURTHER: That the Executive Director is hereby authorized to adjust individual line items, provided that such adjustments do not exceed the total amount approved.

AGENDA "B"

The Members reviewed the items on Agenda "B" upon motion made by Mr. Lavelle, seconded by Dr. Hall-Russell and unanimously carried, the following resolutions were adopted:

1. Assistant Secretary

- a. Appointment of Kate Wrenshall as an Assistant Secretary for the Authority.

RESOLUTION NO. 16 (2019)

RESOLVED: That the appointment of Kate Wrenshall as an assistant Secretary for the Authority is hereby approved.

2. PNC Filing Fee Account

- i. Authorization to add Kate Wrenshall and Tynishia Powell as signatories on the PNC Filing Fee Account.

RESOLUTION NO. 17 (2019)

RESOLVED: That the addition of Kate Wrenshall and Tynishia Powell as signatories to the PNC Filing Fee Account is hereby approved.

3. East Hills

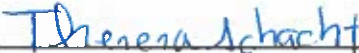
- i. Proposal, form of contract, evidence of financing and execution of deed for the sale of Block 232-E, Lot 65, in the 13th Ward, to Bradley Kemp, for \$500 (Sideyard – Sickles Street).

RESOLUTION NO. 18 (2019)

RESOLVED: That the Redevelopment Proposal submitted by Bradley Kemp, for Block 232-E, Lot 65, in the 13th Ward, and execution of a disposition contract by sale to Bradley Kemp, for \$500 are hereby approved, and the Executive Director, Director of Finance 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; and it is

RESOLVED FURTHER: That the final drawings and evidence of financing submitted by Bradley Kemp for Block 232-E, Lot 65, in the 13th Ward, are hereby approved, and the Executive Director, Director of Finance and/or Chief Financial Officer, on behalf of the Authority, is hereby authorized to execute a deed and all documents necessary to effectuate the sale thereof, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

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



Assistant Secretary

