

**FINALIZED REPORT**  
**LOWER HILL COMMUNITY STAKEHOLDERS' MEETING**  
**OCTOBER 29, 2019**

**INTRODUCTION**

At the October 18, 2019 meeting of **Urban Redevelopment Authority of Pittsburgh's ("URA")** Board of Directors, Hill District Community Stakeholders submitted and read aloud a letter which addressed their concerns about the Term Sheet for Blocks A, B and E of the Lower Hill Site. Responding to these concerns, URA Board members formally requested that URA staff:

1. Identify requests made in the letter;
2. Identify the entities, agencies, and/or parties, including the URA, with the authority to address the requests;
3. Form a working group with Stakeholders to create an action plan, and;
4. Present to the Board an initial action plan and report on the proceedings of working group meeting(s) within 30 days.

In response, a Hill District Community Stakeholders' meeting was coordinated by URA staff, the **Hill District Community Development Corporation (the "Hill CDC")**, the City of Pittsburgh, the **Sports and Exhibition Authority of Pittsburgh and Allegheny County ("SEA")**, and other community stakeholders.

The report on this meeting, held October 29, 2019 at the Hill House Association, is broken down into sections reflecting major themes and topics discussed. It generally follows the chronology of the meeting; however, some discussions are arranged to optimize clarity and may not follow the exact course of proceedings. Participants who spoke are identified and their comments summarized, rather than quoted verbatim. Sections of documents referenced during the proceedings are incorporated into this report for informational purposes.

**LOWER HILL COMMUNITY STAKEHOLDERS' MEETING**  
**OCTOBER 29, 2019**  
**LOCATION: HILL HOUSE ASSOCIATION, PITTSBURGH, PA**

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**ATTENDEES:** Bill Bercik; Sam Black; Lakeisha Bryd; Knowledge Build Hudson (*via phone*); Clarence Curry; Tenika Dashaun; Bethany Davidson; Maya Fewes; Phyllis Ghafoor; Daniel Grantham; Glenn Grayson; Carol Hardeman; Cleophus Harris; Charlotte Ka; Majestic Lane; Tracey McCants Lewis; Dale McNutt; Marimba Milliones; Joseph Moss; Rif Qureshi; Carl Redwood; Jamie Reese; David Serbin; Jessica Smith Perry; Richard Taylor; Rhea Thomas; Lee Walls; Myrah-Ashly Wilcox; Irvin Williams; Mercedes Williams; Daniel Wood; Kate Wrenshall

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**I. CONTEXT & BACKGROUND**

- *Marimba Milliones, President & CEO, Hill CDC* – the Pennsylvania Gaming Control Board, formed in 2004, authorized casino gambling in the Commonwealth. One (1) casino license was issued for the City of Pittsburgh, which was ultimately awarded to Don Barden. Barden initially proposed the development of a casino on what was then the site of Civic Area – now the Lower Hill Development site. These plans faced significant pushback from Greater Hill District community over concerns of the Casino’s impact on the primarily residential neighborhood.

Responding to these concerns, Barden amended his plan and relocated the casino site to what is now Rivers Casino. Barden retained development rights on the Lower Hill Site and invested \$3 million into a development fund for the Upper and Lower Hill District. This fund, which came to be known as the **Hill District Development Fund**, was housed within the community at Poised Foundation.

Soon thereafter, the Pittsburgh Penguins threatened to leave the City if not given development rights to the Lower Hill Site. The City intervened, transferring those rights from Barden to the Penguins’ development arm – **Pittsburgh Arena Real Estate Redevelopment, LP (“PAR”)** – while also approving a new arena for the team.

Concerned, Hill District residents demanded a seat at the negotiating table in the hopes of establishing more cooperative relationships regarding the use of public dollars for private development in the community. Two Community Benefit Agreements were negotiated before City Planning decided to use one – the **Community Collaboration and Implementation Plan (the “CCIP”)** – as a “reference document” to the development plan. Having advocated for its attachment to the development plan, the Hill District community members filed a court order against City Planning to ensure the CCIP’s inclusion was more legally binding. To that end, the Court order was a success and further established a City-wide affordable housing task force (now the Housing Opportunity Fund) and the Lower Hill **Local Economic Revitalization Tax Assistance (the “LERTA”)**.

Advocating for LERTA-derived funds to be routed into existing Hill District agencies/funds, public agencies instead opted to house LERTA-derived funds at the URA. This decision only served to perpetuate longstanding mistrust between the community and these agencies, with many in the Hill District feeling as though these agencies did not trust the neighborhood to manage its own money. The purpose of today’s meeting is a result of this history.

## II. MEETING PURPOSE

- *Marimba Milliones, President & CEO, Hill CDC* – Lower Hill Reinvestment terms have been renegotiated several times over the past ten years without enough reinvestment in the community. Renegotiation of terms is a critical window through which to advocate for the community. The timing of this meeting coincides with a key moment in the development process, providing an opportunity to push back with greater impact. The first Agreement with PAR, negotiated several years ago, stated that for every year PAR did not perform (i.e. develop) the Lower Hill Site, the public would take back 2.8 acres of land. In summary, our goal for this meeting is to achieve what we can for our community. Since the 9/20/2019 Executive Management Committee meeting, the Lower Hill community has sought more transparency, and advocated for more time to review the Lower Hill Development Term Sheet at the regular URA Board meeting held 10/10/2019. The URA Board agreed to provide more time, tabling Lower Hill Board items until a special meeting held 10/18/2019. In advance of the special meeting, Community Stakeholders met to review the term sheet and drafted a letter to the Mayor, Councilman Lavelle, and Chairperson Williamson which addressed their concerns and requests.
- *David Gieger, Government Affairs Officer, URA* – URA staff organized the meeting to comply with URA Board Directives made in response to the Stakeholders’ letter. Specifically, URA staff was directed to:

1. Form a working group with Stakeholders to address requests made in the letter;
2. Appraise stakeholders of the requests which the URA has the authority to act upon, and;
3. Utilize those requests to form a tangible action plan for presentation to the Board;

In the interest of full transparency, the meeting will be documented in minutes to inform URA’s Board, the Community, and others of its proceedings.

- *Milliones* –I formally request that URA’s Board calls an additional special Board meeting to approve the Community Stakeholders’ terms, just as it called a special meeting to adopt PAR’s. This would prevent us from coming back to the Board at future meetings. In addition, I formally request that these minutes be reviewed collaboratively by the Stakeholders and URA staff to ensure that the information is accurate.
- *Bethany Davidson, Director, Pittsburgh Landbank, URA* – We are here, not just tonight but into the future, to be accessible and transparent. We do not make any assumptions of what that looks like, nor do we suppose that we know everything. We want to be open to good ideas and we are available to hear them. Keep in mind that as we move through this project that the development threshold is long. Not every conversation is going to include everyone, but if something is not done right, please tell us!

## III. THE TERM SHEET (available for download at <https://www.ura.org/pages/lower-hill>)

- *Phyllis Ghafoor* – Hill CDC staff’s action of reading the Stakeholders’ letter into the 10/18/2019 minutes indicates to any reasonable person that there are disagreements about the Term Sheet. Requests which the URA has control over should be noted by URA staff.
  - *Gieger* – URA staff are prepared and fully intend to go through each of the Stakeholders’ requests to provide such clarification.
- *Kate Wrenshall, Senior Counsel, URA* – The Term Sheet for Blocks A, B and E of the Lower Hill Development Site is no longer up for negotiation. Per the corresponding URA Board Resolution adopted 10/18/2019, the URA, PAR, and SEA were authorized to execute the Term Sheet. It

should be noted that the publicly available Term Sheet does not include the five (5) contingencies simultaneously adopted in response to the Stakeholders' letter. Those contingencies are:

1. Include "but not limited to" language to paragraph C (ii), "to assist with the rehabilitation of the Ammon Community Recreation Center, including, but not limited to, the installation of a multipurpose space for community celebrations and dek hockey, refurbishment of a playground and basketball court, and the development of Rec2Tech programming space for the benefit of Hill District children and families";
2. Make technical modifications to the Term Sheet;
3. Delete commercially reasonable standard language;
4. Compel Intergen to work with the URA staff on submission of their PBV application (avoiding a repeat of the MBS 9% Low Income Housing Tax Credit application) and working towards greater/ deeper affordability than the CCIP, and;
5. Ensure that Live Nation coordinates its programming with the New Granada Theater.

In accordance with Contingency #2, URA, SEA, and PAR legal staff are working on the finalized Term Sheet which incorporate all five contingencies. The finalized Term Sheet, which will not be materially different from the version currently available to the public, will not be publicized prior to finalization.

- *Milliones* – I formally request that Stakeholders see the Finalized Term Sheet *before its execution (signing)*.
  - *Geiger* – Provided the request is permissible, this request can be made to the URA Board of Directors through Diamonte Walker, Interim Executive Director, URA. It is not known when the Term Sheet will be finalized, but it is possible that such will occur before SEA's 11/14/2019 Board Meeting.

#### IV. LETTER REQUEST #1

*"Remove the commercially reasonable standard for commitments by [PAR]"*

- *Milliones* – Was the commercially reasonable standard removed from the Term Sheet? The Hill CDC does not feel the commercially reasonable standard is appropriate given the sizable public investment in the project.
  - *Geiger* – Yes; the URA Board resolution which authorized execution of the Term Sheet also removed this language (Contingency #3).

#### V. LETTER REQUEST #2

*"Pursue affordability for 30% of the units at or below 50% Area Median Income ("AMI") for Blocks A & B for a term that matches any loan terms; or Pursue affordability for 20% of all Lower Hill Housing units (not just Blocks A & B) at 50% AMI or below for a term that matches any loan terms."*

- *Carl Redwood, Hill District Consensus Group* – The **Greater Hill Community Plan (the "GHCP")** calls for 30% of all housing developed in the Greater Hill District to be affordable to families at or below 50% of AMI. Why then does the CCIP call for less affordability at the Lower Hill site? The CCIP should not supplant the CHCP. Moreover, CCIP affordability levels should have been negotiated in accordance with the CHCP.

- *Geiger* – There is no intent to ignore the CHCP’s affordability goals. With that said, PAR is required to fulfill CCIP requirements only. Pursuing deeper affordability, the URA was able to negotiate affordability levels for Block A above CCIP requirements. These levels shall appear in the Finalized Term Sheet.
- *Jessica Smith Perry, Director, Housing Opportunity Fund, URA* – Contingency #4 represents a strong commitment to deeper affordability at the Lower Hill Site. Initially, plans called for 20% (58 of the 288 units planned) of the housing developed on Block A to be affordable to families at or between 50% to 60% of AMI. By compelling Intergeren to apply for **Project-Based Voucher (“PBV”)** subsidies through the **Housing Authority of the City of Pittsburgh (the “HACP”)**, for purposes of the application, the 58 units must now be affordable to families *at or below* 50% AMI – a PBV program requirement. Unlike HACP’s Housing Choice Voucher/Section 8 Program, PBV subsidies are tethered to units, not families. Income-eligible families apply to site-specific PBV waitlists rather than the general Housing Choice Voucher waitlist. Per the terms of its **Pittsburgh Development Fund (“PDF”)** loan, Intergeren must apply for the PBV program or will not receive the PDF funds. If HACP accepts Intergeren’s PBV application, the resulting subsidy shall be put in place for a period of 20 years, with the option to renew for an additional 20 years. URA staff shall make every effort to ensure that this application is submitted.
- *Redwood* – Why would you give Intergeren a loan just because they have a funding gap? We aren’t talking about profit. Don’t just give them money because they say there is a gap.
- *Wrenshall* – To reiterate, the PDF loan is on the line to encourage Intergeren’s pursuit of deeper affordability. The PDF loan is just that – a loan which accrues interest and must be repaid. Loan funds will not be dispersed if Intergeren does not meeting certain affordable housing obligations.
- *Richard Taylor* – Affordable Housing in Block A needs to be in place for a longer period. If the PBV expires after 20 years and the PBV subsidy recipient opts not to renew, families could face displacement just as they are establishing themselves in the community. The initial term should be lengthened to 40 years to prevent this. Alternatively, the PBV recipient should be required to accept the second 20-year term.
  - *Smith Perry* – I will consult with HACP and Intergeren on this point.
- *Milliones* – is it possible to make the PDF loan synchronous with the term of HACP funding? For example, if affordability was no longer maintained, the PDF loan would “default”?

## VI. LETTER REQUESTS #4 & 5

*“Transferring control of 50% of the “Owner Payment” to PAR prevents the URA and City from using those funds to provide matching commitments, guarantees, and leverage for investments into the broader neighborhood. In addition, the agreement states that PAR will not seek additional public funding for infrastructure, so long as the SEA and the URA use commercially reasonable efforts to assist PAR and any affiliates in securing funding from federal, state, nonprofit, and foundation sources, which is [essentially] public money. This provision requires that the public pay twice for infrastructure investments. As such, we request that you do not amend the portion of the LERTA that positions the project for such a large amount of future public funding. In addition, any realization of PAR’s efforts to capitalize the 50% of the annual owner payment for the benefit of the Greater Hill District Reinvestment Fund should either be housed in an account at the Hill District Federal Credit Union and administered by the Hill District Growth Fund Advisory Committee.”*

- *Milliones* – Is it possible to allocate/redirect part of the funds made available through PAR’s LERTA abatement for the Lower Hill to housing affordability?
  - *Geiger* – The URA Board already approved the LERTA structure and abatement. As such, amendments to the LERTA would now be up to the City’s **three (3) Taxing Bodies (the “3TBs”)**, which includes the City of Pittsburgh, Allegheny County, and Pittsburgh Public Schools.
- *Sam Black* – why is PAR allowed to keep the money saved as a result of the abatement?
  - *Geiger* – The reasons for this are extremely complex. To summarize, the Term Sheet identifies the LERTA benefits for PAR and the public. If the current Lower Hill Site plan is fully realized, the tax value of the development is estimated to be \$80 million. Under the LERTA, PAR will not pay its estimated property taxes on the site because:
    1. PAR agreed to capitalize (i.e. fund) the **Greater Hill Reinvestment Fund (the “GHRF”)** in an amount equal to 50% of the total estimated tax (\$40 million).
    2. PAR pledged to not request additional URA or City funding for infrastructure as a condition for not paying the remaining 50% of the total estimated property tax value (\$40 million).

As currently envisioned, this structure would provide the GHRF with a more immediate cashflow. Capitalization of the GHRF occurs when construction begins, not gradually as property tax bills are paid.

- *Milliones* – Thank you for clarifying. Such an explanation should appear in the term sheet. It should be an obligation to provide this type of clarity prior to the execution of the term sheet.
- *Taylor* – Is the \$40 million based on the projected estimated property tax value? If the actual property tax value exceeds current estimates, would capitalization of the GHRF exceed \$40 million? Is the GHRF receiving \$40 million upfront?
- *Susheela Nemani-Stanger, Director of Economic Development, URA* – The abatement is equal to the actual property tax value. If the actual property tax value increases above current estimates, the amount capitalized in the GHRF would increase accordingly.
- *Taylor* – What is the decision-making process for using GHRF funds? Who will make these decisions?
  - *Geiger* – The draft CCIP guidelines establish a CCIP Advisory Board. The CCIP Advisory Board will make GHRF funding decisions and will present awards to the URA for final approval.
  - *Milliones* – The URA Board will *sign off* on CCIP Advisory Board decisions.
  - *Geiger* – To be clear, the guidelines for GHRF management are not yet finalized.
- *Cleophus Harris* – Will the community be able to see how the CCIP is spending/receiving GHRF funds? Who is on the CCIP committee? Will the community know what the funds are used for? We want to see where the money goes because this community has been the same for the last 53 years.
  - *Geiger* – That is of course a reasonable request. I would hope there is full transparency. I personally cannot promise that, as the CCIP will make GHRF funding decisions, but I will do what I can to support transparency.
  - *Milliones* – The hypocrisy around this – what is expected by the community vs. the lack of transparency afforded to it by agencies like the URA – is insulting. It echoes racial stereotypes that black communities cannot be trusted to handle money.

- *Geiger* – That is not what I intended, and I apologize if I offended you. I was attempting to respond to and clarify Ms. Harris’ question. Ms. Harris, is this correct?
- *Harris* – Yes.
- *Carol Hardeman* – One meeting will not cut it. There are so many people left out of the process. The Consensus Group is one organization, and a lot of people feel that the Hill CDC doesn’t represent us. That is their business – we can’t answer for everyone. You need the Councilman who the people voted for to be here. This is my beloved community, and there are so many different types of people in this community.
- *Redwood* – The GHRF should not be a developer-only fund. 70% should go directly to Hill District residents to make home repairs, pay rent, etc.
  - *Milliones* – The CCIP states that funds are to be used in support of its goals and the Greater Hill District. Such GHRF expenditures, outlined on page 23 of the CCIP, and include:
    1. Workforce Development initiatives;
    2. Job placement programs;
    3. Women/Minority Business Enterprise (M/WBE) development initiatives;
    4. M/WBE business counseling programs;
    5. Children and youth Education initiatives;
    6. Mortgage assistance subsidies;
    7. Rent assistance subsidies;
    8. Development investments, and;
    9. Other wealth building initiatives.

To Carl’s point, CCIP monies will be spent in support of residential housing needs. If we want to see our community develop, this is, for point of fact, what is documented and what needs to be addressed.

- *Milliones* – Why does the URA, the City or the County now feel they need to be involved in a community grant?
  - *Geiger* – We hear you on that, and we are waiting to hear more from the CCIP.
  - *Wrenshall* – Monies made available through the GHRF are sourced from PAR’s LERTA abatement. In other words, the funds are a result of PAR not paying property tax on the Lower Hill Site. Because it is a tax-related matter, we must still obtain the approval of the 3TBs before the GHRF is capitalized.

## VII. LETTER REQUEST #17

*“URA and the City of Pittsburgh will work with the **Hill Community Land Trust (the “CLT”)** to transfer ownership of critical, but publicly owned residential and commercial parcels, specifically in the Middle and Upper Hill District, but not excluding the Lower Hill District.”*

- *Milliones* – The URA and City own many parcels of land in Greater Hill District. If public agencies, including the URA and the City, are willing and able to transfer ownership of land to organizations such as PAR, would they be willing to transfer ownership of publicly owned land to the community/Hill CLT?
  - *Majestic Lane, Chief Equity Office & Deputy Chief of Staff, Mayor’s Office* – The City agrees with residential ownership of land currently in public ownership. In the case of Lawrenceville, there were specific parcels requested, a process codified, and approvals by

the URA Board and Mayor's Office. The Mayor's Office would support such a process in the Hill District, but this process would need to be informed by community input and approved through URA and City/Mayoral channels.

- *Daniel Wood, Chief of Staff, District 6* – I see no reason why Councilman Lavelle would not support a process akin to that of Lawrenceville's in the Hill District. It is essential that community members know who got specific parcels and why.

## **VIII. CLOSING**

- Participants agreed that a follow up meeting should be scheduled. The follow-up meeting was tentatively scheduled for Monday, November 4, 2019 at 6:00 pm. The meeting location is to be determined.

## Summary of Major Takeaways/Ongoing Community Concerns

- The perception that agencies, including the URA, treat PAR/other developers/private entities and communities different. Specifically, it is felt that these agencies, including the URA, demand a level of transparency from the community that the community is not afforded by these agencies when negotiating with PAR/developers/other private entities.
- The lack of tangible benefits provided by previous efforts to development the Lower Hill site, including the Greater Hill District Development Fund (GHDDF), fuels concern that the GHRF will produce a similar lack of results.
- A sense that public agencies, including the URA, do not trust the Hill District Community to manage the benefits it has fought hard to negotiate.
- More meetings are needed to ensure that more voices and perspectives are heard. Some community members feel that tentpole community organizations do not represent them, alienating them from the conversation.
- The perception agencies, including the URA, engage communities via “listening and placating,” rather than directly addressing or acting on community concerns/questions. Questions are answered with, “I don’t know,” or, “that is not up to us,” frustrating attempts at meaningful community engagement.
- The perception that timelines for community review are not in alignment with the timelines used in negotiations with entities such as PAR. While URA’s Board will now factor in a 30-day public review period for Lower Hill-related actions, this was a concession made in the wake of feedback received at recent Board meetings. It is felt that public comment periods should have been in place prior to recent Board meetings and that all parties should have been beholden to them.

## Stakeholder Requests Stemming from the 10/29/2019 meeting

- In addition to requests submitted by the Community Stakeholders in their letter to URA’s Board of Directors, Community Stakeholders made additional requests through the course of the meeting. They include:
  1. A Special URA Board meeting to approve the Stakeholders’ requests, called during the week of 11/3 – 11/9/2019;
  2. A request to know who sits on the CCIP committee;
  3. A collaborative meeting notes review process for this and future meeting minutes to ensure the accuracy of information conveyed;
  4. A formal written response from URA’s Board addressing what the community can accomplish regarding the development of the Lower Hill Site;
  5. Authorization for the Community Stakeholders to review the Finalized Version of the Term Sheet for Blocks A, B and E *prior to its execution* (signing);
  6. Assurances that URA’s processes and communications are transparent and that URA staff is accountable these assurances internally, and;
  7. The presence of decisionmakers, elected officials, and Board members at future meetings, allowing for more immediate resolution of requested actions/items.