

URA Board Agenda



Date/Time Thursday May 14, 2020 at 2:00 PM

Web Access: <https://zoom.us/j/99268019494>

Dial In: +1 929 205 6099 ID# 992 6801 9494

URA Regular Board Meeting AGENDA "A"

1. Roll Call
2. Public Comment
3. General
 - a. Approval of Meeting Minutes of the Regular Board Meeting of April 16, 2020
4. RFP's, RFQ's RFI's and Bids
 - a. Request for proposals (RFP) – Housing Stabilization Program (HSP) Provider.
5. Announcements
 - a. COVID-19 Response Update
 - b. Briefing and review of the Small Business Recovery Loan Fund Guidelines contingent on final HUD guidance. (*Pages 4 to5*)
 - c. On May 1, 2020, the 100th Down Payment and Closing Cost Assistance Loan closed!
 - d. The Roof-A-Thon will occur in June 2020; 25 homes will receive roofs sponsored by Wells Fargo and the Housing Opportunity Fund.
 - e. Appointment of Jessica Smith Perry to the Board of Directors of the National Association of Local Housing Finance Agencies (NALHFA).
 - f. Recognition of 30 + years of service to the URA by Tom Cummings.



- g. Briefing and presentation of the Developers' Obligation for Public Infrastructure and Other Improvements utilizing the Lower Hill LERTA Retained Amount (Formerly the Lower Hill Development Fund). *(Page 6)*
 - h. Briefing and presentation of the Greater Hill District Neighborhood Reinvestment Fund Guidelines. *(Page 7)*
6. Residential Lending and Investments *(Pages 8 through 24)*
- a. Financial Feasibility Services Selection. *(pp. 8 to 10)*
 - b. California-Kirkbride, Central Northside, & Perry South – Northside Residences Phase III. *(pp. 11 to 15)*
 - i. Pittsburgh Development Fund (PDF) Loan Agreement in the amount of \$1,050,000 with Northside Properties Residences III LLC.
 - c. Upper Hill - Pittsburgh Housing Development Corporation (PHDC) - Upper Hill Rehabilitation for Resale. *(pp. 16 to 20)*
 - i. Pittsburgh Housing Construction Fund (PHCF) Loan Agreement amendment with Pittsburgh Housing Development Corporation in the amount up to \$185,593 (increase of \$50,000).
 - ii. Pittsburgh Housing Construction Fund (PHCF) Grant Agreement amendment with Pittsburgh Housing Development Corporation in the amount up to \$437,500 (increase of \$212,500).
 - iii. Housing Recovery Program – Developer (HRP-D) Agreement amendment with Pittsburgh Housing Development Corporation in the amount up to \$245,000 (increase of \$35,000).
 - d. Larimer – 131 & 133 Meadow Street. *(pp. 21 to 24)*.
7. Business Solutions *(Pages 25 through 26)*
- a. URA/Honeycomb Loyalty Bond Gift Card Program
 - i. Authorization to enter into a contract with Honeycomb Credit for an amount not to exceed \$30,000 for the development of a program to assist small entrepreneurs by enabling them to sell gift cards.



8. Development Services *(Pages 27 through 31)*
 - a. Lower Hill – Block G-1 (FNB Tower) – Buccini/Pollin Group, Inc. *(pp. 27 to 29)*
 - i. Preliminary approval of Lower Hill Developer LLC (or an affiliated entity) as a redeveloper for the take down of Block G-1 (a portion of Block 2-C, Lot 401), in the 3rd Ward (“Take Down Tract #10”).
 - ii. Preliminary approval of a Conceptual Development Plan for the take down of Block G-1 (a portion of Block 2-C, Lot 401), in the 3rd Ward (“Take Down Tract #10”).
 - b. Amendment of Resolutions Nos. 356, 357, 358, 359, 360, and 365 (2019) to extend the expiration dates from May 10, 2020, to December 10, 2020. Extension of Previous Lower Hill Resolutions. *(pp. 30 to 31)*
9. AGENDA B. *(Pages 32 through 33)*



Director's Report

To: URA Board of Directors

From: Jennifer Wilhelm, Director of Commercial Lending

Cc: Greg Flisram, Executive Director

Date: May 14, 2020

Re: Agenda Item 5b: Briefing and review of the Small Business Recovery Loan Fund Guidelines contingent on final HUD guidance.

Background

The COVID-19 outbreak has forced small businesses across Pittsburgh to shut down. Revenue for many of these small businesses, especially in neighborhood business districts, has dropped 70-90% or more. Most have laid off employees and require patient capital to continue to pay fixed costs such as rent, utilities, payroll, and insurance to stay in business. Minority and women-owned businesses have been particularly affected. Already operating in a climate of inequality and lower access to capital, COVID-19 has amplified these struggles.

In response to this need, on Tuesday, March 17, 2020 the URA launched a COVID-19 Small Business Emergency Loan Fund (ELF) program offering up to \$15K, 0% interest loans. Since inception, demand has outpaced funding ability.

Despite its good intentions, federal and state action have proven insufficient, in size and scope, to address the enormous and specific needs of local small businesses; many local small businesses may have trouble accessing SBA and state emergency funds through CWCA.

It is critical the URA be positioned to meet the growing needs of Pittsburgh small businesses, especially minority and women-owned businesses. This program will benefit those businesses by providing much needed access to patient capital to help them recover and grow.

As Pittsburgh emerges from the immediate economic fallout from COVID-19, small businesses will need substantial support to stabilize, ramp up, and grow in the face of uncertain economic times. Steep and sudden losses in GDP combined with a slow and uncertain recovery will make availability of capital to invest in small businesses extraordinarily important.

About the Small Business Recovery Fund

The COVID-19 Small Business Recovery Fund ("Program") will provide funds for Pittsburgh small businesses affected by and working to recover from the pandemic and position them to stabilize and



grow when the economy returns to pre COVID-19 conditions. The existing COVID-19 Small Business ELF will be merged into the Program.

The Program will target neighborhood-serving small businesses, minority and/or women-owned businesses, businesses in low and moderate-income communities, and those small businesses most adversely affected by the COVID-19 crisis. The Program will be a continuation of our efforts to support the most vulnerable of businesses to help them not only survive but to thrive in the post COVID-19 environment.

Program Terms and Conditions

Recovery Loans

Loan Amount: up to \$75,000

Interest rate: 0% for first year, 2% for balance of loan term

Loan payment deferral period: one year

Loan Terms: 7 years

Fees: none

Pre-payment penalties: none

Collateral / security: personal guarantees not required, business and corporate guarantees as appropriate.

Use of funds: hiring and payroll, inventory, sales/marketing, e-commerce, rent, utilities, and other approved fixed costs related to business recovery.

Emergency Loans

Loan Amount: up to \$15,000

Interest rate: 0%

Loan payment deferral period: 6 months

Loan Terms: 3 years

Fees: none

Pre-payment penalties: none

Collateral/security: personal guarantees not required, business and corporate guarantees as appropriate.

Use of Funds: Hiring and payroll, inventory, sales/marketing, e-commerce, rent, utilities, and other approved fixed costs related to business emergency operation needs.

Funding Source: Community Development Block Grant funding, private corporate contributions, and other local, state, and federal monies, as appropriate.

Note: Today's briefing does not require board action.



Director's Report

To: URA Board of Directors

From: Susheela Nemani-Stanger, Director of Neighborhood Development

Cc: Greg Flisram, Executive Director

Date: May 14, 2020

Re: Agenda Item 5f: Briefing and presentation of the Developers' Obligation for Public Infrastructure and Other Improvements utilizing the Lower Hill LERTA Retained Amount (Formerly the Lower Hill Development Fund)

Background

Under the Lower Hill LERTA Cooperation Agreement, the URA was directed to split the real property taxes owed (a maximum of \$250,000 from the City, County and School District, respectively, on each parcel) into two equal funds for a period of 10 years post-development:

- i. 50% of the real property taxes would fund the Greater Hill Reinvestment Fund, which would be used to invest in projects in the Greater Hill District, and
- ii. 50% of the real property taxes would fund the Lower Hill Development Fund, which would be used to invest in infrastructure and other improvements to the Lower Hill District and the Greater Hill District (the "Lower Hill Development Fund").

Lower Hill LERTA Retained Amount Guidelines (Formerly Lower Hill Development Fund Guidelines)

The structure of the Lower Hill Development Fund has changed pursuant to a Term Sheet dated October 18, 2019, executed among Pittsburgh Arena Real Estate Redevelopment LP (the "Optionee" or "PAR"), SEA and the URA, and the Letter Agreement. Now, in accordance with the Term Sheet and the Letter Agreement, PAR shall retain 50% of the real property taxes that were supposed to be deposited in a Lower Hill Development Fund (the "Retained Amount"). As such, there will be no Lower Hill Development Fund and instead 50% of PAR's real estate property taxes will be abated.

These Retained Amount Guidelines establish PAR's obligations relating to the infrastructure and other improvements to the Lower Hill Site and the Greater Hill District that were originally to be paid using the Lower Hill Development Fund. The permitted uses and the requirement of approval by URA apply to the Retained Amount as it would have applied to amounts held in a Lower Hill Development Fund. The use, approval and oversight of the Retained Amount shall be in accordance with the LERTA legislation, the LERTA Cooperation Agreement and these Guidelines.

Note: The presentation pertaining to the Retained Amount Guidelines is a non-voting item. This presentation does not officially adopt these guidelines. Staff expects to seek approval of the guidelines at the June meeting.



Director's Report

To: URA Board of Directors

From: Susheela Nemani-Stanger, Director of Neighborhood Development

Cc: Greg Flisram, Executive Director

Date: May 14, 2020

Re: Agenda Item 5g: Briefing and presentation of the Greater Hill District Neighborhood Reinvestment Fund Guidelines

About the Greater Hill District Reinvestment Fund

As part of the Lower Hill LERTA financing structure, the Greater Hill District Neighborhood Reinvestment Fund ("Reinvestment Fund") was established to attract funding and generate revenue for implementing the goals, objectives, strategies, and process outlined in the Community Collaboration and Implementation Plan (CCIP). The principal activity and purpose of the Reinvestment Fund shall be to attract investing in or providing financing for development projects, and funding other community needs on the 28-acre site (as defined in the CCIP) and elsewhere in the Greater Hill District geographic area. On a yearly basis, all property owners on the site are required to contribute half of the abated real estate taxes on buildings to the Reinvestment Fund. The Reinvestment Fund will be a segregated, restricted account held and administered by the URA. Monies in the Reinvestment Fund may be expended for administration of the CCIP; activities and efforts of the CCIP and the Greater Hill District neighborhoods; and project development within the Greater Hill District. Details of the Reinvestment Fund can be found in the Greater Hill District Neighborhood Reinvestment Fund Guidelines.

Note: The presentation pertaining to the Reinvestment Fund Guidelines is a non-voting item. This presentation does not officially adopt these guidelines. Staff expects to seek approval of the guidelines at the June meeting.



Director's Report

To: URA Board of Directors

From: Jessica Smith Perry, Director of Housing Lending and Investments

Cc: Greg Flisram, Executive Director

Date: May 14, 2020

Re: Agenda Item 6: Residential Lending and Investments

Residential Lending Agenda Item Overview

6A. Financial Feasibility Services

1. Authorization is requested to include the below listed firms on a slate of financial consultants to provide financial feasibility services:
 - Affirmative Investments - Boston, MA
 - BJH Advisors - New York City, NY
 - David Paul Rosen & Associates - Lafayette, CA
 - Hunden Strategic Partners - Chicago, IL
 - JLL Capital Markets - Pittsburgh, PA
 - Palo Alto Partners - Pittsburgh, PA
 - Partners for Economic Solutions - Washington, DC
 - Baker Tilly (now joined with Springstead) - St. Paul, MN
 - RKG Associates - Alexandria, VA
 - SB Friedman Dev't Advisors - Chicago, IL
 - TCAM Asset Management - Boston, MA/Pittsburgh, PA
 - Mullin & Lonergan Associates - Pittsburgh, PA

Authorization Request

On April 15, 2020, the URA issued a Request for Proposals (RFP) for economic development consultants to provide qualifications to be included on a list of firms that can review the financial feasibility of large-scale development projects. Responses to the RFP were due on May 6, 2020. The above firms submitted responses and will be included on the slate.

Either before or during the Exclusive Negotiation period for developments to be constructed on URA land, or during the pre-development phase for projects not requiring URA land, the URA will use one of the firms on the slate to perform an overall financial analysis of the proposed project.



This will include reviewing the overall economics and financial feasibility of large- scale development projects including, but not limited to: proposed proforma; construction costs; proposed sources and uses of funds; the financial strength of the developer; a comparison of rents and sales comps, etc. The study will be funded by the developer and/or the URA.



Resolution for Agenda Item 6A

RESOLUTION NO. ____ (2020)

RESOLVED: That the addition of the below listed firms to a slate of financial consultants to provide financial feasibility services is hereby approved:

- Affirmative Investments - Boston, MA
- BJH Advisors - New York City, NY
- David Paul Rosen & Associates - Lafayette, CA
- Hunden Strategic Partners - Chicago, IL
- JLL Capital Markets - Pittsburgh, PA
- Palo Alto Partners - Pittsburgh, PA
- Partners for Economic Solutions - Washington, DC
- Baker Tilly (now joined with Springstead) - St. Paul, MN
- RKG Associates - Alexandria, VA
- SB Friedman Dev't Advisors - Chicago, IL
- TCAM Asset Management - Boston, MA/Pittsburgh, PA
- Mullin & Lonergan Associates - Pittsburgh, PA



Director's Report

To: URA Board of Directors

From: Jessica Smith Perry, Director of Housing Lending and Investments

Cc: Greg Flisram, Executive Director

Date: May 14, 2020

Re: Agenda Item 6: Residential Lending and Investments

Residential Lending Agenda Item Overview

6B. California-Kirkbride, Central Northside, & Perry South – Northside Residences Phase III

1. Pittsburgh Development Fund (PDF) Loan Agreement in the amount of \$1,050,000 with Northside Properties Residences III LLC.

Authorization Request

Authorization is requested to enter into a Pittsburgh Development Fund (PDF) loan agreement in the amount of \$1,050,000 with Northside Properties Residences III LLC to support the preservation and substantial rehabilitation of 70 scattered site, affordable rental units in three Northside neighborhoods.

At the January 16, 2020 URA Board meeting, authorization was approved for a Housing Opportunity Fund Rental Gap Program (RGP) loan in the amount of \$700,000 and Rental Housing Development Improvement Program (RHDIP) loan in the amount of \$700,000 for the subject development. Since that meeting, the appraisal was completed for a proposed permanent first mortgage loan which came in lower than expected. After negotiations and discussions with the bank, appraiser, and developer, and based on the Red Stone LLC loan to value and debt service coverage requirements, the developer is able to secure an \$8.4 million permanent first mortgage loan which created a financing gap of \$1,050,000. We are recommending that this gap be filled with the proposed amortizing URA PDF loan.

About the Project

North Side Associates (NSA) previously owned 324 units located in 239 separate buildings spread out across the historic Northside area. M. Robert and Sarah Mistick (Northside Properties R & S LLC) as developer have since led several phases of construction for the purpose of renovating these units and providing all of them at affordable levels. The previously owned development is



collectively known as 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 limited liability companies in two phased developments (Phase I, containing 75 units, has been completed; Phase II, containing 122 units, closed in August 2019 and is currently under construction).

The third phase consists of the rehabilitation of 70 units located within 69 buildings. The borrower is Northside Properties Residences III LLC, the entity formed to own and manage Phase III. Northside Properties R&S LLC is the project developer. Renovations will include complete interior makeover and re-purposing of the unit layout to make for more modern and functional units for today's market requirements. Of the 69 buildings, 48 are historic and will be renovated to historic standards. The approximate cost per unit is \$216,439.

Of the 70 units: 12 will be rented to households with incomes at or below 30% of area median income (AMI), 31 will be rented to households with incomes at or below 50% AMI; 20 will be rented to households with incomes at or below 60% AMI, and 7 will be rented to households with incomes at or below 80% AMI. The development is seeking Pennsylvania Housing Finance Agency (PHFA) approval as an "income averaging" development, meaning that 10% of the total units will be able to be rented to households with incomes up to 80% AMI. Project based Section 8 assistance is being provided for all units by the U.S. Department of Housing and Urban Development (HUD).

The Initial Application for Tax Exempt Volume Cap and the 4% Low Income Housing Tax Credit (LIHTC) application is expected to be submitted to PHFA prior to the July 10, 2020 deadline. The tax-exempt volume cap allocation will require PHFA approval prior to a projected fall, 2020 closing. The URA previously approved an inducement resolution regarding its intent to issue tax-exempt bonds in an amount up to \$18 million with current projections in the approximate amount of \$15.3 million. Red Stone Tax Exempt Funding, LLC will purchase the tax-exempt bonds and provide construction and permanent financing.

Advisory and Committee Recommendations

The requested URA \$1,050,000 PDF loan and the previously approved \$700,000 RHDIP loan were approved at the May 6, 2020 Real Estate Loan Review Committee meeting. The previously approved \$700,000 HOF RGP loan was approved at the January 8, 2020, HOF Advisory Board meeting. The total development cost is approximately \$25,175,444. The permanent financing plan will also include an \$8.4 million permanent first mortgage loan, LIHTC equity, federal Historic Tax Credit equity, seller financing, and interim income.

Details of the development are as follows:

Developer:	Northside Properties Residences III LLC
Property Locations:	A Street, Arch Street, Brighton Place, Brightridge Street, Chautauqua Street, Chester Avenue, Garfield



Avenue, Kirkbride Street, Monterey Street, Morrison Street, N. Charles Street, Sampsonia Street, Strauss Street, and St. Ives Street

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

Council District: 6

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

General Contractor: Mistick Construction
1300 Brighton Road
Pittsburgh, PA. 15233

Total Development Costs: \$25,175,444

Proposed Development Sources:

Committed Sources of Financing	
1st Mortgage – RedStone Tax-Exempt Funding	\$8,400,000
RBC – LIHTC Equity	\$7,995,648
RBC – HTC Equity	\$2,310,827
3 rd Mortgage – URA RHDIP	\$700,000
3 rd Mortgage – URA HOF RGP	\$700,000
4 th Mortgage – Seller Note	\$3,480,000
Interim Income	\$383,262
Deferred Development Fee	\$155,708
Total Committed Project Financing	\$24,125,444

URA Sources Under Review

2 nd Mortgage – URA PDF Loan	\$1,050,000
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Authority Financing: \$1,050,000 – PDF Loan - 4.15% interest rate, 16-year term plus construction period, 40-year amortization, 2nd lien position

\$700,000 – URA RHDIP loan - 0% interest rate, 40-year term, 40% cashflow repayment split with HOF RGP loan, shared 3rd lien position (previously approved)



\$700,000 - HOF RGP loan - 0% interest rate, 40-year term, 40% cashflow repayment split with URA RHDIP loan, shared 3rd lien position (previously approved)

Program Benefit:

This development will rehabilitate 70 affordable units across the California-Kirkbride, Central Northside, and Perry South neighborhoods and complete the third phase of the Northside Properties development project.

HOF Advisory Board Review:

Presented and approved at the January 8, 2020 meeting

Real Estate Loan Review Committee:

Presented and approved at the May 6, 2020 meeting.

M/WBE Review:

Updated MWBE Narrative reviewed and approved by MWBE Compliance staff. Final plan to be approved prior to closing.



Resolution for Agenda Item 6B

RESOLUTION NO. ____ (2020)

RESOLVED: That a loan with Northside Properties Residences III LLC, to support the preservation and substantial rehabilitation of 70 scattered site, affordable rental units in three Northside neighborhoods, in an amount of up to \$1,050,000, payable from the Pittsburgh Development Fund (PDF) 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.



Director's Report

To: URA Board of Directors

From: Jessica Smith Perry, Director of Housing Lending and Investments

Cc: Greg Flisram, Executive Director

Date: May 14, 2020

Re: Agenda Item 6: Residential Lending and Investments

Residential Lending Agenda Item Overview

6C. Upper Hill - Pittsburgh Housing Development Corporation (PHDC) - Upper Hill Rehabilitation for Resale

1. Pittsburgh Housing Construction Fund (PHCF) Loan Agreement amendment with Pittsburgh Housing Development Corporation in the amount up to \$185,593 (increase of \$50,000).
2. Pittsburgh Housing Construction Fund (PHCF) Grant Agreement amendment with Pittsburgh Housing Development Corporation in the amount up to \$437,500 (increase of \$212,500).
3. Housing Recovery Program – Developer (HRP-D) Agreement amendment with Pittsburgh Housing Development Corporation in the amount up to \$245,000 (increase of \$35,000).

Authorization Request

Authorization is requested to enter into the above mentioned PHCF construction loan and grant amendments with the PHDC in the amounts of \$185,593 and \$437,500, respectively, to provide additional construction financing for rehabilitation and re-sale for affordable homeownership of five housing units in the Upper Hill District. Authorization is also requested for an amendment to the HRP-D Agreement with PHDC to provide an additional \$35,000 in deferred second mortgage financing to make the homes more affordable. The project initially closed on December 21, 2018.



About the Project

PHDC is the Authority's nonprofit housing development affiliate. Schenley Heights Collaborative (SHC) is the nonprofit community group which represents residents of the City's Upper Hill neighborhood. PHDC and SHC are working together to bring upwards of 30 units of rehabilitated housing over several phases to the Upper Hill; the captioned development is Phase 1 of this initiative consisting of five units.

PHDC initially attempted to complete the Phase 1 project using a construction management approach in lieu of hiring individual general contractors to perform the work. This arrangement was intended to enable PHDC to directly reach more smaller contractors than it would have otherwise. The construction management arrangement did not work as intended. Several identified contractors had capacity issues and it also became apparent that the full scope of required renovations was not properly identified or budgeted for in the original project financing plan.

In late 2019, the PHDC staff assumed construction management responsibilities for the project; brought in its own subcontractors to complete the work at 912 & 734 Anaheim Street (which were under sales agreements); and retained these subcontractors to complete the work on the remaining three unsold units (802/804 Bryn Mawr Road and 740 Adelaide Street).

The requested increased grant and loan funds will be used to bring the final three units to completion, including the provision of additional off-street parking to the Bryn Mawr Road units. The Bryn Mawr units are expected to be completed in the next 45 days and the Adelaide Street unit within 90 days. Given the current market in the Upper Hill District, it is expected that these units will sell quickly.

Advisory and Committee Recommendations

The original project financing was approved at the October 10, 2018 Real Estate Loan Review Committee meeting. The requested PHCF grant increase of \$212,500, PHCF loan increase of \$50,000 and HRP-D deferred second mortgage commitment increase of \$35,000 were approved at the May 6, 2020 Real Estate Loan Review Committee meeting. The total revised development cost is \$1,296,695. Other sources of funds include Dollar Bank and the Heinz Endowments (via Schenley Heights Collaborative).

Details of the development are as follows:

Developer: Pittsburgh Housing Development Corporation
Jerome Jackson, President
412 Boulevard of the Allies, Suite 901
Pittsburgh, PA 15219

Property Location: 802 & 804 Bryn Mawr Road



734 & 912 Anaheim Street
740 Adelaide Street

Ward: 5th

City Council District: 6

Description: Rehabilitation and renovation of five vacant and/or abandoned single-family homes in the Upper Hill District neighborhood. Four homes will be sold to homebuyers with incomes at or below 80% AMI and one home will be affordable to a household with income at or below 100% AMI.

Community Partner: Schenley Heights Collaborative

Total Development Costs: \$1,296,695

Proposed Construction Sources	
Dollar Bank FSB Loan	\$542,370
URA PHCF Loan (Original)	\$135,593
URA PHCF Loan Increase	\$50,000
URA PHCF Grant (Original)	\$225,000
URA PHCF Grant Increase	\$212,500
Heinz Endowments Grant (via SHC)	\$45,754
Seller's Assist (Fannie Mae)	\$6,709
Permanent Financing	\$78,769
Total Project Financing	\$1,296,695

Authority Construction Financing: \$185,593 PHCF Loan (includes \$50,000 increase), 0% annual interest rate, 36-month term.

\$437,500 PHCF Grant (includes \$212,500 increase)

Total URA Construction Financing: \$623,093

Authority Permanent Financing: \$245,000 HRP-D (includes \$35,000 increase) - 0% interest, due on sale of property

Program Benefit: This project is part of an ongoing housing strategy in the Upper Hill District to convert vacant structures back into single-family, for-sale opportunities,



increase the overall number of for-sale units in the neighborhood, and balance the mixture of unit types.

Real Estate Loan Review Committee:

The project was initially approved by the Real Estate Loan Review Committee on October 10, 2018 and by the URA Board on October 11, 2018. The loan and grant increases were presented to and approved by the Real Estate Loan Review Committee on May 6, 2020.

M/WBE Review:

The MWBE Plan for this project was approved on October 3, 2018.



Resolutions for Agenda Item 6C

RESOLUTION NO. _____ (2020)

RESOLVED: That amendment of a Loan Agreement with Pittsburgh Housing Development Corporation (PHDC), dated December 21, 2018, to provide additional construction financing for rehabilitation and re-sale for affordable homeownership of five (5) housing units in the Upper Hill District, for an increase of up to \$50,000, for a total Agreement amount of \$185,593, payable from the Pittsburgh Housing Construction Fund (PHCF) 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 of 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. _____ (2020)

RESOLVED: That amendment of a Grant Agreement with Pittsburgh Housing Development Corporation (PHDC), dated December 21, 2018, to provide additional construction financing for rehabilitation and re-sale for affordable homeownership of five (5) housing units in the Upper Hill District, for an increase of up to \$212,500, for a total Agreement amount of \$437,500, payable from the Pittsburgh Housing Construction Fund (PHCF) 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 of 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. _____ (2020)

RESOLVED: That amendment of an Agreement with Pittsburgh Housing Development Corporation (PHDC), dated December 21, 2018, to provide additional permanent financing for income eligible buyers for affordable homeownership of five (5) housing units in the Upper Hill District, for an increase of up to \$35,000, for a total Agreement amount of \$245,000, payable from the Housing Recovery Program – Developer (HRP-D) 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 of 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.



Director's Report

To: URA Board of Directors

From: Jessica Smith Perry, Director of Housing Lending and Investments

Cc: Greg Flisram, Executive Director

Date: May 14, 2020

Re: Agenda Item 6: Residential Lending and Investments

Residential Lending Agenda Item Overview

6D. Larimer – 131 & 133 Meadow Street

1. Pittsburgh Housing Construction Fund (PHCF) Grant Agreement with Mary Rose and Martha Rose in an amount up to \$40,000.
2. Neighborhood Housing Program (NHP) Loan Agreement with Mary Rose and Martha Rose in an amount up to \$75,000.

Authorization Request

Authorization is requested to enter into the above mentioned PHCF grant agreement in the amount of up to \$40,000 and NHP loan agreement in the amount of up to \$75,000 with Mary and Martha Rose to support the site development and construction of a new owner-occupied home to be located at 131-133 Meadow Street in the Larimer neighborhood.

About the Project

Under the Choice Neighborhoods Homeowner Assistance Program (CNHAP), eligible owner-occupants in the Larimer neighborhood qualify for façade grants. Mary and Martha Rose, who lived at 133 Meadow Street, participated under the program and closed on a CNHAP grant in the amount of \$20,000.

The owners entered into a construction contract and the work on their façade began in January 2018. Unfortunately, their house caught on fire during the scope of the renovations and was unable to be saved. The twin sisters moved in with relatives and have been living with them ever since.



Since the time of the fire, the sisters' desire has been to build a new home on their property. Prior to the URA's involvement, the sisters were working with Riverview Builders, Inc., a modular builder, because this was the type of house they wanted, they assumed it would take the shortest amount of time to rebuild and would best fit their budget. The sisters acquired the adjacent vacant lot, located at 131 Meadow Street, from the City of Pittsburgh to accommodate the construction of the home. In order to advance the project through the city development processes and to facilitate the development of a replacement home on this site, the Authority entered into a contract with Studio Volcy (Alicia Volcy) to work with the Rose sisters and the builder.

Although not responsible for the events that transpired and/or the displacement of the Rose sisters, the URA would like to continue to work in good faith with the community and its residents. Accordingly, the URA would like to support the Rose sisters in their efforts to rebuild a replacement home on the site of their original home.

Advisory and Committee Recommendations:

The requested \$40,000 PHCF grant and \$75,000 NHP loan were approved at the May 6, 2020 URA Real Estate Loan Review Committee Meeting. The total development cost is \$279,150. Other financing sources include insurance proceeds, URA funds for the project consultant (Studio Volcy), a Larimer Consensus Group (LCG) contribution, plus the remaining balance of the Rose sisters' original CNHAP grant.

Details of the development are as follows:

Borrowers:	Mary Rose and Martha Rose
Property Location:	131/133 Meadow Street, Larimer neighborhood
Ward:	12th Ward
City Council District:	9
Description:	The development of an affordable owner-occupied replacement unit
Project Manager:	Studio Volcy 7711 Waverly Street Pittsburgh, PA 15221
Modular Builder:	Riverview Builders, Inc. 595 Route 119 Greensburg, PA. 15601



Contractor:	Mistick Construction 1300 Brighton Road Pittsburgh, PA 15233
Total Development Costs:	\$279,150
Construction Financing Sources:	
Larimer Consensus Group	\$7,500
URA CNHAP Grant Balance	\$14,150
URA funds (Volcy)	\$35,000
Property Insurance Proceeds	<u>\$107,500</u>
Total Other Sources:	\$164,150
Authority Financing Sources:	\$40,000 Pittsburgh Housing Construction Fund grant
	\$75,000 - Neighborhood Housing Program loan (0% interest, due on sale or transfer of property)
Total URA financing:	\$115,000
Program Benefit:	The project will add an affordable housing unit in the Larimer neighborhood and will enable two elderly displaced residents to return to their property.
Real Estate Loan Review Committee:	Presented and approved at the May 6, 2020 meeting.
M/WBE Review:	MWBE Narrative has been approved by URA MWBE Compliance staff. Final plan to be approved prior to closing.



Resolutions for Agenda Item 6D

RESOLUTION NO. _____ (2020)

RESOLVED: That a grant to Mary Rose and Martha Rose, to support the site development and construction of a new owner occupied home to be located at 131-133 Meadow Street in the Larimer neighborhood, in an amount of up to \$40,000, payable from the Pittsburgh Housing Construction Fund (PHCF) 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 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. _____ (2020)

RESOLVED: That a loan to Mary Rose and Martha Rose, to support the site development and construction of a new owner occupied home to be located at 131-133 Meadow Street in the Larimer neighborhood, in an amount of up to \$75,000, payable from the Neighborhood Housing Program (NHP) 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.



Director's Report

To: URA Board of Directors
From: Tom Link, Director of Business Solutions
Cc: Greg Flisram, Executive Director
Date: May 14, 2020
Re: Agenda Item 7: Business Solutions

Business Solutions Agenda Item Overview

7A. URA/Honeycomb Loyalty Bond Gift Card Program

1. Authorization to enter into a contract with Honeycomb Credit for an amount not to exceed \$30,000 for the development of a program to assist small entrepreneurs by enabling them to sell gift cards.

Authorization Request

URA staff, in partnership with the Mayor's Office and Honeycomb Credit, has developed a program that will enable small entrepreneurs to gain cash flow without taking on a loan through a crowd funded gift card purchase program. It is an adaptation of the Loyalty Bond program that Honeycomb Credit launched in late April.

- The program provides up to 25% match on up to \$1000 in gift cards purchased per business.
- It is expected the program would support a minimum of 100 businesses at 25% match up to \$250 per business.
- URA funds will also cover \$50 in program registration fees for each participating business.
- Honeycomb Credit will administer the program, including providing technical assistance to businesses to help them set up their campaigns.
- Staff will work with community partners, including business district organizations and Neighborhood Allies, to market the program equitably to businesses throughout the City.
- The URA's contribution will be leveraged to seek other funding sources to grow the program.

The Funding Source for this project will be UDF State Repay.



Resolution for Agenda Item 7A

RESOLUTION NO. _____ (2020)

RESOLVED: That an agreement with Honeycomb Credit for the development of a program to assist small entrepreneurs by enabling them to sell gift cards, for an amount not to exceed \$30,000, payable from UDF State Repay is hereby approved, and the Executive Director, Deputy Executive Director and/or Chief Financial Officer, on behalf of the Authority, is 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.



Director's Report

To: URA Board of Directors

From: Susheela Nemani-Stanger, Director of Neighborhood Development

Cc: Greg Flisram, Executive Director

Date: May 14, 2020

Re: Agenda Item 8: Development Services

Development Services Agenda Item Overview

8A. Lower Hill – Block G-1 (FNB Tower)– Buccini/Pollin Group, Inc.

- i. Preliminary approval of Lower Hill Developer LLC (or an affiliated entity) as a redeveloper for the take down of Block G-1 (a portion of Block 2-C, Lot 401), in the 3rd Ward (“Take Down Tract #10”).
- ii. Preliminary approval of a Conceptual Development Plan for the take down of Block G-1 (a portion of Block 2-C, Lot 401), in the 3rd Ward (“Take Down Tract #10”).

Authorization Request

At the April 14, 2020, Board meeting, staff briefed the Board on Take Down Notice #10 received from Lower Hill Developer, LLC. The URA is now seeking preliminary approval of the redeveloper and the redeveloper’s Conceptual Development Plan.

About the Project

Lower Hill Developer LLC, which is an affiliate of The Buccini/Pollin Group, Inc. (BPG), plans to construct a 26-story mixed-use tower that will include approximately 382,000 square feet of office space; approximately 35,000 square feet of retail; and approximately 100 structured parking spaces. The future headquarters of First National Bank (FNB), the proposed tower will be adjacent to the new Cap Park above I-579, which will provide pedestrians who work and shop in the Central Business District easy access to the site, with additional commercial amenities for residents in the nearby Greater Hill District. Two floors of structured parking will serve the tower’s commercial tenants and visitors.



- Project costs are budgeted at approximately \$200 million.
- The project will be developed in conformance with applicable LEED-ND requirements.
- BPG has selected Gensler to design the building. Construction will be overseen by BPGS Construction.

Block G-1 (a portion of Block 2-C, Lot 401) comprises approximately 1.34 acres of the larger block bounded by Bedford Avenue to the north, Logan Street to the east, Wylie Avenue to the south, and Washington Place to the west. The property is owned by the Sports & Exhibition Authority of Pittsburgh and Allegheny County (SEA).

The development team has been engaged with the Community Collaboration and Implementation Plan (“CCIP”) Executive Management Committee since August 2019. The team also submitted the Block G-1 project to the Hill CDC’s Development Review Panel (DRP) in early January 2020 and presented to the DRP on April 1, 2020. The DRP’s initial scoring of the project was below a passing score; however, the DRP invited the team to meet with them again on May 6, 2020, to review the scoring and explore solutions that would bring the project into closer alignment with DRP goals. The development team is committed to working through the DRP process.

Anchor tenant FNB has committed to a Community Impact Plan that currently includes:

- Monetizing the off-site LERTA for the Greater Hill Reinvestment Fund;
- Expanding FNB’s existing relationship with Greater Hill Federal Credit Union;
- Monetizing the public portion (25%) of the approved Block E Parking Tax Diversion for the URA’s Hill District Housing Opportunity Fund;
- Partnership with URA to serve as Small Business Administration Loan Partner;
- Strengthening community partnerships through the Neighborhood Partnership Program; and
- Community wealth building and special initiatives programming.

This authorization is subject to receipt and staff review and approval of all attachments to the Take Down Notice.



Resolution for Agenda Items 8A

RESOLUTION NO. ____ (2020)

RESOLVED: That preliminary approval of Lower Hill Developer LLC (or an affiliated entity) as a redeveloper for the take down of Block G-1 (a portion of Block 2-C, Lot 401), in the 3rd Ward (“Take Down Tract #10”) is hereby approved. This item is contingent on the URA receiving all required attachments to the Take Down Notice.

RESOLUTION NO. ____ (2020)

RESOLVED: That preliminary approval of a Conceptual Development Plan for the take down of Block G-1 (a portion of Block 2-C, Lot 401), in the 3rd Ward (“Take Down Tract #10”) is hereby approved. This item is contingent on the URA receiving all required attachments to the Take Down Notice.



Director's Report

To: URA Board of Directors

From: Susheela Nemani-Stanger, Director of Neighborhood Development

Cc: Greg Flisram, Executive Director

Date: May 14, 2020

Re: Agenda Item 8: Development Services

Development Services Agenda Item Overview

8B. Amendment of Resolutions Nos. 356, 357, 358, 359, 360, and 365 (2019) to extend the expiration dates from May 10, 2020, to December 10, 2020. Extension of Previous Lower Hill Resolutions.

Authorization Request

Several of the Lower Hill resolutions (including preliminary approval of Lower Hill Developer LLC as redeveloper of Block E; preliminary approval of the Conceptual Development Plan for Block E; authorization to advance a Parking Tax Diversion Plan and related cooperation, funding, administrative fee, a trustee agreements; and authorization of a loan commitment with Intergen Lower Hill Initial Phase LLC) that were approved in October 2019 were based on previous development schedules and were to expire if closing did not occur by May 10, 2020. An extension is needed in order to allow the URA to continue to advance these Lower Hill developments and initiatives.



Resolution for Agenda Item 8B

RESOLUTION NO. ____ (2020)

RESOLVED: That Resolution Nos. 356, 357, 358, 359, 360, and 365 (2019) are hereby amended to extend the expiration dates from May 10, 2020, to December 10, 2020. Extension of Previous Lower Hill Resolutions.



URA Regular Board Meeting
AGENDA "B"

1. COVID-19 Response

- a. Authorization to accept donations, and to apply for and receive grants and capital contributions (but not secured debt), to support the URA's suite of COVID-19 response programs for business and housing relief.
- b. Authorization for the URA's CFO to approve the movement of various internal URA funds and funding sources to support the URA's suite of COVID-19 response programs for business and housing relief.
- c. Authorization to ratify the following COVID-19 related funding applications that were submitted prior to May 14, 2020:
 - i. Pittsburgh Foundation - \$400,000, presented by Jessica Smith Perry;
 - ii. RK Mellon Foundation - \$250,000, presented by Jessica Smith Perry;
 - iii. Dollar Bank - \$100,000.
- d. Administrative waiver of Pilot Neighborhood Initiative Fund Guidelines for the Northside Partnership Project to allow up to 25% of grant funds to be used for operational or administrative costs for hardships related to COVID-19.

2. Certificate of Completion

- a. Upper Lawrenceville
 - i. Certificate of Completion for Friends of the Pittsburgh Urban Forest d/b/a Tree Pittsburgh for Lot 3B in URA -Tippins Plan of Lots (now designated as Block 120-G, Lot 155, in the 10th Ward, and previously designated as all of Block 120-C, Lot 10, and a portion of Block 120-C, Lot 55) and authorization to return the Good Faith Deposit (commercial redevelopment).

3. Disclosures

- a. HOF Down Payment & Closing Cost Assistance Program (DPCCAP)
 - i. Approval of Antoine Broadwater to participate in the DPCCAP for a property located at 320 Copperfield Avenue, Pittsburgh, PA 15210. Mr. Broadwater is a City of Pittsburgh Public Works employee.



4. Funding Authorizations

- a. Authorization to apply for Department of Community and Economic Development's Greenways, Trails, and Recreation Program grants and, if required, enter into related grant contracts, subgrant and fee agreements.
 - i. Broad Street Plaza, East Liberty - \$250,000
 - ii. Summerset - Shelburne Park, Squirrel Hill/Swisshelm Park - \$250,000

5. Amendments

- a. Mackin Engineering Company
 - i. Amendment of Agreement with Mackin Engineering Company dated May 18, 2017 for the Two-Way Traffic Conversion and Public Improvements Design Contract for Harvard/Beatty and Station Street and Euclid Avenue Two-Way Conversion in East Liberty, for an increase not to exceed \$782,779.42.
- b. Littler Mendelson PC
 - i. Amendment of Agreement with Littler Mendelson PC dated September 27, 2017, for employment law services for an increase of \$20,000, for a total Agreement amount of \$170,000.
- c. Amendment of Resolution No. 313 (2019) to waive the RHDIP Administrative Program Guidelines to provide financing in excess of \$40,000 per unit and to provide the financing in the form of a grant.

6. Transfer of Funds

- a. Requesting authorization for the transfer of \$4M from Mortgage Revenue Bond Program (MRBP) to the Commercial Lending Loan Fund source to be used for commercial lending.

7. Business Solutions

- a. Authorization to apply for and receive Minority Business Development Agency (MBDA) grants through the US Department of Commerce in support of Catapult and Gallery on Penn.

