

URA Board Agenda



Date/Time Thursday October 8, 2020 at 2:00 p.m.

Web Access: <https://zoom.us/j/97512636869>

Dial In: +1 929 205 6099 ID # 975 1263 6869

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 September 10, 2020.
4. RFPs, RFQs, RFIs & Bids
 - a. Request for Proposals for ELTRIDRA accounting services.
5. Announcements
 - a. 2018-2019 Annual report.
 - b. Commercial Lending Dashboard.
 - c. Housing Lending Dashboard.
 - d. Sidewalk Sales Program, Round 2.
6. Residential Lending & Investments (Pages 3 Through 10)
 - a. CONNECTION TWG, LLC– PDF Loan
 - i. Pittsburgh Development Fund (PDF) Loan Agreement with CONNECTION TWG, LLC in an amount of up to \$1,500,000. (pp. 3-6)
 - b. North Negley Residences – RHDIP Loan Increase (pp. 7-10)
 - i. Authorization to amend Resolutions Nos. 135 and 136 (2020) to combine the Rental Housing Development Improvement Program



(RHDIP) loan in the amount of \$414,770 and the Rental Gap Program (RGP) loan in the amount of \$585,230 into one Rental Gap Program loan.

- ii. Authorization to increase the Rental Gap Program Loan of \$1,000,000 by \$225,000 to \$1,225,000.

7. Development Services (Pages 11 Through 13)

a. Hunt Armory (pp. 11-13)

i. Design Services

- a. Authorization to enter into an agreement with Pfaffmann & Associates, P.C. in an amount of up to \$105,000 for design services for Phase 1 roof and building shell rehabilitation.

ii. RACP Grant

- a. Authorization to commit up to \$500,000 of 2019 Paygo, Project Funds and/or other funds as the required match for the RACP grant.
- b. Authorization to front up to \$3,000,000 from the General Fund and/or other funds to bridge the RACP grant.

8. AGENDA B. (Page14)



Director's Report

To: URA Board of Directors

From: Jessica Smith Perry, Director of Residential & Consumer Lending

Cc: Greg Flisram, Executive Director
Diamonte Walker, Deputy Executive Director

Date: October 8, 2020

Re: Agenda Item 6: Residential Lending and Investments

Residential Lending Agenda Item Overview

6A. CONNECTION TWG, LLC – PDF Loan

- i. Pittsburgh Development Fund (PDF) Loan Agreement with CONNECTION TWG, LLC in an amount of up to \$1,500,000.

Authorization Requested

Authorization is requested to enter into a Pittsburgh Development Fund (PDF) loan agreement with CONNECTION TWG, LLC in an amount of up to \$1,500,000. CONNECTION TWG, LLC will utilize the PDF funds to complete its construction of a five-story, 280-unit multifamily development above a 188-space parking podium at 2948 Sidney Street, Pittsburgh, PA 15203 in the South Side. CONNECTION TWG, LLC will rent 28 (10%) of the units to tenants at or below 50% AMI. The total development cost, including the hard cost contingency and change orders as a result of difficulties with the excavation (detailed below) is \$59,834,295.

TWG Construction, LLC previously presented to the URA Board back in October 2018 during which the Board approved a proposal and form of a disposition contract with TWG Construction, LLC for the sale and redevelopment of Parcels E-1e and E-1f at South Side Works (Resolution No. 99, 2019). They later closed in May 2019.

The development did not originally include any URA financing, however, issues with land acquired from the URA led to increased construction costs. During the initial excavation, several obstructions were discovered including substantial amounts of concrete, rebar, steel structures, and 12" layers of slag at 3' and 5' depths. To dig through these impediments, CONNECTION TWG, LLC has had to use excavators with hydraulic hammers. Beside the cost overruns attributed to these obstacles, the associated COVID-19-related time delays have pushed the project schedule back by months, adding over \$4 million in construction overages from the site alone.



Details of the development are as follows:

Borrower/Developer:	CONNECTION TWG, LLC
General Contractor:	TWG Construction, LLC
Architect:	TWG Development, LLC Jalar Construction (Sub-Contractor)
Location:	2948 Sidney Street, Pittsburgh, PA 15203
Neighborhood:	South Side
Council District:	3
Description:	Construction of 280-unit multi-family development in the South Side; 28 units affordable at or below 50% AMI.
Authority Financing for Review:	\$1,500,000 PDF Loan: 4.0% interest, a 20-year amortization, interest-only until end of 18-month construction period.
Collateral:	URA-recorded second mortgage, personal and corporate guarantees by TWG Development, LLC, mortgage on separate developer-owned parcel, and/or another solution agreed upon by the URA and development team
Required Approvals:	Approved at the Real Estate Loan Review (RELRC) Committee meeting on October 7, 2020.
Commitment Expiration:	This commitment of funds shall expire on February 8, 2021. If Project is not closed by this date, the commitment shall be null and void.



Development Sources	
Construction Loan	\$42,234,908
<i>URA PDF Loan</i>	<i>\$1,500,000</i>
General Partner Loan	\$1,628,993
JV Partner Equity	\$13,746,874
<u>General Partner Equity</u>	<u>\$723,520</u>
Total Project Financing	\$59,834,295



Resolution for Agenda Item 6A

RESOLUTION NO. _____ (2020)

RESOLVED: That a loan with CONNECTION TWG, LLC to complete its construction of a five-story, 280-unit multifamily development above a 188-space parking podium at 2948 Sidney Street, Pittsburgh, PA 15203, in the South Side Connection, in an amount of up to \$1,500,000, payable from the Pittsburgh Development Fund (PDF) is hereby approved, and the Executive Director, Deputy Executive Director and/or the Business Solutions Director, 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 Residential & Consumer Lending

Cc: Greg Flisram, Executive Director
Diamonte Walker, Deputy Executive Director

Date: October 8, 2020

Re: Agenda Item 6: Residential Lending and Investments

Residential Lending Agenda Item Overview

6B. North Negley Residences – RHDIP Loan Increase

- i. Authorization to amend Resolutions Nos. 135 and 136 (2020) to combine the Rental Housing Development Improvement Program (RHDIP) loan in the amount of \$414,770 and the Rental Gap Program (RGP) loan in the amount of \$585,230 into one Rental Gap Program loan.
- ii. Authorization to increase the Rental Gap Program Loan of \$1,000,000 by \$225,000 to \$1,225,000.

Authorization Requested

Via Resolution Nos. 135 and 136 (2020) the Board approved construction and permanent financing for the North Negley Residences 9% Low Income Housing Tax Credit (LIHTC) development at its April 16, 2020 meeting. The URA commitment included a RHDIP loan in the amount of \$414,770 and an RGP loan in the amount of \$585,230.

Since then, the URA Board approved sunsetting the RHDIP program at the July 2020 meeting (Resolution No. 203, 2020). As a result of RHDIP no longer being an active URA program, authorization is requested to combine the two loans into one larger RGP loan and to increase its amount by \$225,000. This loan increase will be contingent upon the developer's ability to secure additional gap financing in the amount of \$450,000. The loan amendment is necessary to fund the increased cost of materials and labor as a result of factory stoppages and enhanced safety plans due to COVID-19.



The North Negley Residences development includes the rehabilitation of 327 North Negley Avenue, also known as the B’Nai Israel Synagogue, in the Garfield neighborhood of the City of Pittsburgh. The project will be divided into two phases.

Phase I will involve the addition of two (2) stories to the existing wings and additions to the rotunda and the creation of 45 rental units. Of these 45 units, six (6) will be affordable at or below 30% AMI, 17 will be at or below 50% AMI, and 15 will be at or below 60% AMI for a total of 38 affordable rental units. These units will remain affordable for a period of 40 years. Seven (7) units will be market rate.

Phase II will involve the complete restoration of the rotunda into community-serving offices and gathering space for the residents of the development. This is an entirely separate phase, and therefore the funds represented in this Board action are solely for the completion of Phase I.

Details of the development are as follows:

Borrower/Developer:	Catalyst Communities
General Contractor:	Mistick Construction
Architect:	Desmone Architects
Location:	327 N. Negley Ave., Pittsburgh, PA 15206
Neighborhood:	Garfield
Council District:	9
Description:	Rehabilitation and new construction additions to the B’Nai Israel Synagogue to include 45 total units.
Authority Financing for Review:	\$225,000 RGP loan increase: 0% interest, a 30-year term, 25% of cash flow.
Authority Financing Previously Approved:	\$414,770 RHDIP Loan & \$585,230 RGP Loan
RHDIP Loan Source:	A combination of HODAG Repay, CDBG, HOME and/or Paygo
Required Approvals:	Approved at the Real Estate Loan Review (RELRC) Committee meeting on October 7, 2020.



Commitment Expiration:	This commitment of funds shall expire on February 8, 2021. If the Project is not closed by this date, the commitment shall be null and void.
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Development Sources	
Permanent Loan	\$2,550,000
Federal LIHTC Equity	\$12,157,439
<i>URA HOF RGP Loan (Revised)</i>	<i>\$1,225,000</i>
HACP Soft Debt	\$870,000
HACP Loan Increase (Pending)	\$225,000
PHFA PHARE	\$1,250,000
<u>Deferred Developer Fee</u>	<u>\$413,283</u>
Total Project Financing	\$18,690,822



Resolutions for Agenda Items 6B

RESOLUTION NO. _____ (2020)

RESOLVED: That Resolution Nos. 135 (2020) and 136 (2020) are hereby amended, to combine the Rental Housing Development Improvement Program (RHDIP) loan in the amount of \$414,770 and the Rental Gap Program (RGP) loan in the amount of \$585,330 into one Rental Gap Program loan.

RESOLUTION NO. _____ (2020)

RESOLVED: That amendment of a Loan Agreement with North Negley Residences to fund the increased cost of materials and labor as a result of factory stoppages and enhanced safety plans due to COVID-19, for an increase of up to \$225,000, for a total Agreement amount of \$1,225,000, payable from the Housing Opportunity Fund Rental Gap Program is hereby approved, and the Executive Director, Deputy Executive Director and/or Business Solutions Director, 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.



Director's Report

To: URA Board of Directors

From: Emily Mitchell, Assistant Director of Neighborhood Development

Cc: Greg Flisram, Executive Director
Diamonte Walker, Deputy Executive Director

Date: October 8, 2020

Re: Agenda Item 7: Development Services

Development Services Agenda Item Overview

7A. Hunt Armory

- i. Design Services
 - a. Authorization to enter into an agreement with Pfaffmann & Associates, P.C. in an amount of up to \$105,000 for design services for Phase 1 roof and building shell rehabilitation.
- ii. RACP Grant
 - a. Authorization to commit up to \$500,000 of 2019 Paygo, Project Funds and/or other funds as the required match for the RACP grant.
 - b. Authorization to front up to \$3,000,000 from the General Fund and/or other funds to bridge the RACP grant.

Authorization Requested

The Hunt Armory is an approximate 90,094 square feet, National Register of Historic Places and City Historic Landmark designated building located on a 1.84-acre lot at 324 Emerson Street in Shadyside. The URA issued an RFP for the Hunt Armory building in May of 2017 and received four (4) responses. Based on the RFP criteria, response to community concerns, and analysis by URA staff, the review committee recommended a proposed ice rink with office space.

The URA acquired the Hunt Armory from the state in June 2020. Unfortunately, the condition of roof has deteriorated, and a new roof is required. The existing rubber roof is delaminating, and sections of the roof are missing creating points of entry for water to further deteriorate the



structure. Due to the Historic Landmark Designation, the magnitude of the structure, and the technical complexity of the roof and the historic building features, a design professional with extensive experience and expertise with such structures is needed.

In order to protect the property and preserve the historical character of the property the URA requests authorization to enter into agreement with Pfaffmann & Associates, P.C. in an amount up to \$105,000 for design services. The design work will include two phases: design work for a phase 1 roof repair in order to protect the structure over the winter and phase 2 design work for a full roof rehabilitation project to be coordinated with the future redevelopment.

Pfaffmann & Associates has the requisite historic architectural experience, as well as working knowledge of the Hunt Armory property.

Pfaffmann + Associates is located at 223 Fourth Avenue, Suite 800, Pittsburgh PA, 15222. Robert S. Pfaffmann is Principal in Charge.

The funding source for design is 2019 Paygo Funds.

Funding for the roof replacement will be paid for in part by a Redevelopment Assistance Capital Program Grant (RACP). Authorization is requested to commit the required matching funds to the Hunt Armory RACP grant award to show 50% match upon submission of the RACP application. The Hunt Armory acquisition price of \$1M will be used as match for the RACP award along with requested \$500,000 in 2019 Paygo, Project Funds and/or other funds. Authorization is also requested to front up to \$3 million from the General Fund and/or other funds to bridge the RACP grant.



Resolutions for Agenda Item 7A

RESOLUTION NO. _____ (2020)

RESOLVED: That an agreement with the Pfaffmann & Associates, P.C for design services for phase 1 roof and building shell rehabilitation., for and amount up to \$105,000, payable from 2019 Paygo Funds is hereby approved, and the Executive Director, Deputy Executive Director and/or Business Solutions Director, 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.

RESOLUTION NO. _____ (2020)

RESOLVED: That appropriation of up to \$500,000,000 of 2019 Paygo, Project Funds and/or other funds as the required match for the Hunt Armory Redevelopment Assistance Capital Program (RACP) grant is hereby approved.

RESOLUTION NO. _____ (2020)

RESOLVED: That fronting up to \$3,000,000 from the URA General Fund and/or other funds to bridge the Hunt Armory Redevelopment Assistance Capital Program (RACP) grant, is hereby approved.



Regular Board Meeting
AGENDA "B"

1. Agreements/Amendments

- a. Authorization to amend Resolution No. 413 (2019) which authorized a loan agreement to Larimer/East Liberty phase IV LP in the amount of \$2,094,150 to be reduced to \$1,494,150. The reduction is because the Authority already expended \$600,000 towards Larimer parks and green spaces.
- b. Authorization to approve a Down Payment & Closing Cost Assistance loan to Christopher Corbett in the amount of \$5,000. Mr. Corbett is a City of Pittsburgh employee.
- c. Authorization to approve a Down Payment & Closing Cost Assistance loan to Kattia Delizin in the amount of \$5,000. Ms. Delizin is a URA employee.
- d. Authorization to acquire furniture, fixtures, and equipment from J.T. Thomas, or a related entity, for a price not to exceed \$100,000, for use in storefront 4 of Centre Heldman Plaza. Funding source is 150-00 Real Estate General Fund (Previously Leased Land Fund).
- e. Amendment of Resolutions Nos. 210, 211, 213 (2019), as previously amended Resolutions No. 432 (2019) and 200 (2020), to extend City's Edge/Lot F approval expiration dates from October 31, 2020 to January 14, 2021 or the first regular meeting of the URA Board to take place in 2021, whichever shall occur sooner

2. Applications

- a. Authorization to apply for Department of Community and Economic Development's Industrial Site Reuse Program and, if required, enter into related grant contracts, subgrant and fee agreements.
 - i. 3100 Block of Smallman Street, Strip District - \$95,100

3. Reallocations

- a. Authorization to reallocate \$276,340 from CDBG 19-20 For-Sale Housing to the Homeowner Assistance Program.
- b. Authorization to reallocate \$200,000 from PHRP Repayment to the Homeowner Assistance Program.

