

URA Board Agenda



Date/Time: Thursday, March 10, 2022 at 2:00 PM

Webinar Link: <https://zoom.us/j/96435218546>

Webinar Dial In: 1 (929) 205-6099

Webinar ID: 964 3521 8546

**Annual/Regular Board Meeting
AGENDA
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Director's Report

To: URA Board of Directors
From: Tom Link, Chief Strategy Officer
Cc: Greg Flisram, Executive Director
Diamonte Walker, Deputy Executive Director
Date: March 10, 2022
Re: Agenda Item 6(a): Business Solutions

6(a) Social Impact Investments

- i. Authorization to adopt program guidelines for the URA Ventures Pilot Program
- ii. Authorization to adopt program guidelines for the Minority/Women-owned Business Enterprise (MWBE) Developer Equity Fund Pilot Program

Authorization Details

The URA seeks to provide liquidity risk capital to minority and/or women (MWBE) owned businesses and founders.

Many MWBE businesses and founders have difficulty accessing risk capital and liquidity to expand businesses and sponsor real estate development projects.

Pittsburgh suffers from low rates of Black entrepreneurship and business ownership. One recent data point ([link](#)) describes Pittsburgh as having the lowest rate of Black-owned businesses among the 50 largest metros in the United States.

The URA has a long, successful history of investing directly in small businesses and supporting MWBE businesses through debt and investment products such as the Micro-Enterprise Loan Fund, the Minority Business Recovery and Growth Loan Fund, and other tools.

URA Ventures and the MWBE Developer Equity Fund Pilot Programs seek to build upon this foundation to provide additional liquidity and risk capital to Pittsburgh's M/WBE business community through a suite of programs.

URA Ventures will employ a trifold model seeking to generate investment & returns from venture backed and high growth potential firms allowing higher risk portfolio investments in smaller, long term growth main street businesses where impact is weighted more than economic return. URA Ventures will primarily focus on MWBE led businesses and founders historically overlooked and/or lacking access to traditional forms of risk capital.

URA Ventures' objective is to change the face of venture capital and entrepreneurship investment models while creating quality jobs, accelerating availability of risk capital to historically disadvantaged small businesses, and spurring economic growth in the City of Pittsburgh.

The MWBE Developer Equity Fund will provide direct equity investments in MWBE-sponsored real estate development ventures through a shared/risk reward structure that hopes to strengthen the development sponsor and provide return on investment to the URA.

The programs will be funded by a combination of Community Development Block Grant (CDBG) funds, URA revenue sources, and other URA, local, state, and/or federal sources as appropriate.

Program Synopses

URA Ventures - Mainstreet Ventures

Objective:	Strengthen MWBE small businesses through shared risk/reward equity like investment in business growth
Form of Investment:	Revenue-based direct investment to small businesses
Terms:	<ul style="list-style-type: none"> • Up to \$100,000 per investment • 3% interest rate • Return on invested capital through revenue-based return model
Application & Approval Process:	<p>All applications for the program will be processed through an internal review and approval process. At the URA’s sole discretion, review and approvals shall be conducted by a/the designated review committee. Upon affirmative recommendation from URA designated review committee, final approval will be made by the URA. Regular reports on investment approvals will be made to the URA’s Board of Directors.</p> <p>The URA may employ third party underwriting analysis to support decision making process.</p>
Benefit:	<ul style="list-style-type: none"> • Increase access to capital and liquidity for growing businesses • Increase the long-term economic viability of growing small businesses • Support MWBE led small business growth and job creation <p>At the community level, the program hopes to:</p> <ul style="list-style-type: none"> • Encourage business growth in neighborhood business districts • Encourage quality, locally controlled, wealth building and economic stability opportunities for Pittsburgh communities, particularly those located in an Avenues of Hope (AoH) corridor.
Funding:	\$1.3 million

URA Ventures - Pittsburgh Entrepreneur Fund 2.0

Objective:	Strengthen MWBE technology and innovation-based businesses through shared risk/reward equity-like investment in business growth
Form of Investment:	Convertible/safe loan to small businesses
Terms:	<ul style="list-style-type: none"> • Up to \$125,000 per investment • 8% interest rate • Return on invested capital through exits and growth
Application & Approval Process:	<p>All applications for the program will be processed through an internal review and approval process. At the URA’s sole discretion, review and approvals shall be conducted by a/the designated review committee. Upon affirmative recommendation from URA designated review committee, final approval will be made by the URA. Regular reports on investment approvals will be made to the URA’s Board of Directors. The URA may employ third party underwriting analysis to support decision making process.</p>



Benefit:	<ul style="list-style-type: none"> • Increase access to capital and liquidity for growing technology and innovation-based businesses • Increase the long-term economic viability of growing small businesses • Support MWBE led businesses and job creation • Seek multiplier returns on URA investments <p>At the community level, the program hopes to:</p> <ul style="list-style-type: none"> • Encourage technology and innovation led business growth • Encourage quality, locally controlled, wealth building for MWBE founders • Attract investment capital to Pittsburgh-based firms
Funding:	\$1 million

URA Ventures - Venture Co-Investment

Objective:	Strengthen MWBE technology and innovation-based businesses through shared risk/reward equity-like investment in business growth
Form of Investment:	Limited partner investment in institutional venture funds
Terms:	<ul style="list-style-type: none"> • Up to \$250,000 per investment • Return on invested capital through return on invested capital to limited partnership professionally managed venture capital funds
Application & Approval Process:	<p>All applications for the program will be processed through an internal review and approval process. At the URA's sole discretion, review and approvals shall be conducted by a/the designated review committee. Upon affirmative recommendation from URA designated review committee, final approval will be made by the URA. Regular reports on investment approvals will be made to the URA's Board of Directors. The URA may employ third party underwriting analysis to support decision making process.</p>
Benefit:	<ul style="list-style-type: none"> • Increase access to capital and liquidity for growing technology and innovation-based businesses • Increase the long-term economic viability of growth businesses • Support MWBE led businesses and job creation • Seek multiplier returns on URA invested capital <p>At the community level, the program hopes to:</p> <ul style="list-style-type: none"> • Encourage technology and innovation led business growth • Encourage quality, locally controlled, wealth building for MWBE founders • Attract investment capital to Pittsburgh based firms
Funding:	\$750,000

MWBE Developer Equity Fund Pilot Program

Objective:	Strengthen MWBE real estate development sponsors through shared risk/reward joint venture equity investment structure
Form of Investment:	Equity investment in real estate joint venture enterprise
Terms:	<ul style="list-style-type: none"> • Up to \$500,000 per investment • Market reasonable Return on Investment sought through cash return on equity from real estate investment
Application & Approval Process:	<p>All applications for the program must be invited by the URA and will be processed through an internal review and approval process. At the URA’s sole discretion, review and approvals shall be conducted by a/the designated review committee. Upon affirmative recommendation from URA designated review committee, final approval will be made by the URA’s Board of Directors.</p> <p>The URA may employ third party underwriting analysis to support decision making process.</p>
Benefit:	<ul style="list-style-type: none"> • Lower barriers to entry • Increase access to capital • Increase the long-term economic viability of the real estate development projects that receive an equity investment • Support 3-4 MWBE sponsored real estate development projects in Pittsburgh <p>At the community level, the program hopes to:</p> <ul style="list-style-type: none"> • Provide MWBE real estate developers with a financing tool that furthers equitable economic development by encouraging said developers to implement elements of community and neighborhood plans in their development projects • Encourage quality, locally controlled, wealth building and economic stability opportunities for Pittsburgh communities, particularly those located in an Avenues of Hope (AoH) corridor.
Funding:	\$2 million



Director's Report

To: URA Board of Directors

From: Rebecca Davidson-Wagner, Director of CDFI Investments

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

Date: March 10, 2022

Re: Agenda Item 7(a): Avenues of Hope – Commercial Lending & Investments

7(a) New Markets Tax Credit – Pittsburgh Urban Initiatives, LLC Investment Fund Capitalization

- i. Authorization to make a loan in the amount of up to \$719,200 to a to-be-formed Investment Fund partially owned by the URA and partially owned by PNC to fund the New Markets Tax Credit (NMTC) loan fund to an amount of approximately \$1 million.
- ii. Authorization to provide a NMTC recapture guarantee to the NMTC equity investor, PNC Bank.

Authorization Details

Pittsburgh Urban Initiatives (PUI) is a URA-affiliated Community Development Entity (CDE) with a purpose of receiving and deploying Federal New Markets Tax Credits into Pittsburgh economic development projects. The NMTC program was established by Congress in 2000 to spur new or increased investments into operating businesses and real estate projects located in low-income communities. The NMTC program attracts investment capital to these communities by permitting individual and corporate investors to receive a tax credit against their federal income tax return in exchange for making equity investments into eligible job creating projects.

Since 2010, PUI has received \$234 million in NMTC allocation awards. PUI has allocated NMTC to a variety of job-creating and community-serving developments in the City of Pittsburgh. These include the East End Cooperative Ministry Community House, the Energy Innovation Center, Wood Street Commons, Eastside TOD, 7800 Susquehanna Street, City of Asylum, Light of Life Rescue Mission, Scattered Site Affordable For-Sale Housing; as well as \$7 million in New Markets Loan Fund (NMLF) investments. PUI NMTC investments have leveraged over \$746 million in total project costs and have created over 3,810 jobs.

The NMLF capitalization is a unique opportunity to leverage URA investment to work for emerging and expanding businesses pooled with equity proceeds from a NMTC investor. For example, a loan of around \$750,000 that the URA may have made to a project now has the ability to be increased by at least 20% by utilizing this structure. In addition, when the project is completed in seven (7) years and the borrower is required to pay in full the loan, the URA, as the investment partner, will receive at least 20% back on top of its initial investment of around \$750,000. The URA has already utilized this investment vehicle in three other tranches and should see this 20% return and return of investment over the next five (5) years through the wind up of four (4) previously closed NMLF borrower repayments.

In August 2015, PUI Sub-CDE 12, LP, used those funds to provide a \$1,920,000 loan to the Proud Company (317 South Main Partners, LP), a technology service provider and process coating company. This loan included the URA's leveraged loan as well as equity raised through the NMTC structure of \$528,400. Those tax credits were purchased by an investor, PNC Bank. The loan facilitated the redevelopment of the long vacant 317 South Main Street in the West End neighborhood of the city into the new home for the expansion of the Proud Company's headquarters and operations. With the expansion, the Proud Company employs 35-40 people.

URA and PUI staff have been vetting the URA business financing pipeline for potential small business expansion deals to utilize this fund. Staff has identified two initial deals that should be able to close by third quarter 2022. URA and PUI staff fully anticipate being able to close financings for the entire fund by first quarter 2023.

The URA’s existing capacity to originate, underwrite and service loans will be utilized to execute the NMTC loan fund, including utilization of the URA’s Business Loan Review Committee and URA staff.

- Borrower Principal:** TBD Investment Fund
- Location:** N/A
- Description:** New Markets Loan Fund
- Authority Financing Amount:** Up to \$719,200.00
- Interest Rate:** Approximately 2.65%
- Term:** Up to eight (8) years
- Program Benefits:**
 - New job creation
 - Leverage of NMTC program to create new source of capital for Pittsburgh small businesses and main street development
 - Meet the mission of the NMTC program to invest in small businesses

The funding source for the URA loan will be Urban Development Fund (UDF) and Pittsburgh Business Growth Fund State repayments.



Director's Report

To: URA Board of Directors
From: Jennifer Wilhelm, Chief Lending & Solutions Officer
Cc: Greg Flisram, Executive Director
Diamonte Walker, Deputy Executive Director
Date: March 10, 2022
Re: Agenda Item 7(b): Avenues of Hope – Development Services

7(b) Hill District – MLK Reading Room

- i. Authorization to enter exclusive negotiations with The Citizen Science Lab for a period of six (6) months for the sale four (4) publicly owned parcels, including:

Ward	Block	Address	Current Owner
5 th	27-A-181	636 Herron Avenue	City of Pittsburgh
5 th	27-A-182	0 Herron Avenue	City of Pittsburgh
5 th	27-A-183	636 Herron Avenue	City of Pittsburgh
5 th	27-A-184	0 Herron Avenue	City of Pittsburgh

Authorization Details

Authorization is requested to enter into exclusive negotiations with The Citizen Science Lab for the sale of four (4) publicly owned parcels along Herron Avenue located in the Upper Hill District. The site includes the former Martin Luther King Jr. Reading and Cultural Center along with the surrounding vacant parcels. The Citizen Science Lab plans to transform the former reading and cultural center into their new headquarters where local students will have access to STEM (Science, Technology, Engineering, and Mathematics) focused programming, homework and study spaces, greenhouses for growing organic food, and a computer lab.

Background

The URA was approached by The Citizen Science Lab for the direct sale of four parcels located in the Upper Hill including the former Martin Luther King Jr. Reading and Cultural Center. The Citizen Science Lab was created in 2015 with the goal of providing interactive STEM programming to underserved children in the Hill District and outside the City of Pittsburgh. Currently, The Citizen Science Lab offers hands-on experience in a science lab to increase STEM opportunities for students. The new location of The Citizen Science Lab will be accessible by public transportation, and have an increased number of classrooms, a state-of-the-art laboratory, and a “Digital Learning Hub” to provide technology to students to complete homework or assist with potential remote learning.

Phase I of this two-phase project is the renovation of the reading and cultural center estimated to be complete by summer 2024. Initial fundraising efforts for Phase I include a donation from The Hillman Foundation for the relocation of The Citizen Science Lab; \$250,000 from the Richard King Mellon Foundation for site planning, and a \$35,000 line of credit from PNC Bank for acquisition fees. In addition to their fundraising efforts, The Citizen Science Lab has also begun the process of community outreach. Phase I was presented to the Schenley Heights Collaborative during a community meeting held on May 19, 2021, via Zoom. After receiving community feedback and reviewing the presentation from The Citizen Science Lab, board members of the Schenley Heights Collaborative voted in support of the proposal for the site.

The Citizen Science Lab is a minority-owned Pennsylvania nonprofit with a mailing address of 1699 Washington Rd., Suite 200, Pittsburgh, PA 15228.

Director's Report

To: URA Board of Directors

From: Shaina Madden, Director of Housing Finance

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

Date: March 10, 2022

Re: Agenda Item 7(c): Avenues of Hope – Residential Lending & Investments, Development Services

7(c) **Second Ave. – 4800 Block City of Bridges Community Land Trust Residential Development Phase I**

- i. Authorization to enter into a For-Sale Development Program grant agreement with City of Bridges in the amount of up to \$620,000.
- ii. Authorization to waive For-Sale Development Program guidelines to exceed the per unit grant amount of \$100,000.
- iii. Final drawings, final evidence of financing, and authorization to execute a deed for the sale of five (5) publicly owned parcels along Chatsworth and Hazelwood Avenues in Hazelwood.

Authorization Details

Developer City of Bridges Community Land Trust (CBCLT)

Contractor: EcoCraft Homes, Inc.

Location: Chatsworth Avenue

Neighborhood: Hazelwood

Council District: 5

Description: In July 2019, the URA released a Request for Proposals (RFP) for multiple publicly owned sites along Hazelwood's Second Avenue/Irvine Street corridor. The RFP's goal was to select a Redeveloper to complete a high-quality, mixed-use redevelopment project reflective of the Greater Hazelwood Neighborhood Plan's (GHNP) concepts and principles. The URA received six (6) responses by the October 17, 2019 deadline, and selected a partnership between The Community Builders, Inc., and CBCLT. The Community Builders Inc. was awarded Exclusive Negotiations at the December 2020 Board meeting and is working to submit a 9% Low Income Housing Tax Credit Application to the Pennsylvania Housing Finance Agency. The project will develop:

- Two (2) two-bedroom townhomes
- Six (6) three-bedroom townhomes
- Two (2) one-bedroom flats
- Two (2) three-bedroom quad units

Today, the CBCLT requests construction grant financing in the amount of up to \$620,000 to finance development costs for Phase I: Four (4) for-sale single family homes on Chatsworth Avenue. Each home will be a three-bedroom and one-and-a-half-bathroom modular built unit to be sold to homebuyers between 50% and 80% Area Median Income (AMI), with anticipated sales prices at or between \$120,000-\$135,000.

Authorization is also requested to accept final drawings, final evidence of financing, and authorization to execute a deed with CBCLT, or a related entity, for the sale of the following five (5) publicly owned parcels along Chatsworth and Hazelwood Avenues in Hazelwood for \$20,000 plus cost:



Ward	Block	Address	Current Owner
15 th	56-F-326	0 Chatsworth Avenue	URA
15 th	56-F-326A	0 Chatsworth Avenue	URA
15 th	56-F-327	0 Chatsworth Avenue	URA
15 th	56-F-330	0 Chatsworth Avenue	URA
15 th	56-F-331	0 Chatsworth Avenue	URA

- Authority Financing for Review:**
- \$620,000 For-Sale Development Program (FSDP) sourced with Housing Opportunity Fund (HOF) 2019 and 2020.
 - The per unit subsidy exceeds the \$100,000 per unit maximum as outlined in the FSDP guidelines. A waiver of program guidelines is requested.
 - If American Rescue Plan Act (ARPA) funds become available between the time of commitment and closing, those funds may wholly or partially replace FSDP funds.

Collateral: Declaration of Restrictive Covenants requiring that the home be sold affordably to owner-occupied households at or below 80% AMI for 99 years.

Required Approvals: HOF Advisory Board (3/3/22)

Program Sources: HOF 2019 and 2020

MWBE: Narrative and cost calculator approved

Commitment Expiration: July 3, 2022

Sources of Funds	
HOF FSDP 2019	\$240,000
HOF FSDP 2020	\$380,000
FHLB Affordable Housing Program	\$600,000
First Commonwealth Bank	\$420,000
Hillman Foundation	\$100,000
Heinz Endowment Grant	\$80,000
PHARE	\$80,000
PNC Revolving Line of Credit	\$88,875
Solar United Neighbors	\$60,000
Transaction Fees	\$16,125
Total Project Financing	\$2,065,000

Uses of Funds	
Acquisition	\$29,100
General Requirements	\$75,343
Site Work	\$288,362
Modular Base Price	\$1,149,810
Builder's Overhead	\$26,621
Builder's Profit	\$79,864
Building Permits	\$29,900
Solar Panels	\$60,000
Hard Cost Contingency	\$71,877
Fees	\$186,538
Construction and Financing Charges	\$51,460
Transaction Fees	\$16,125
Total Project Uses	\$2,065,000

Director's Report

To: URA Board of Directors
From: Shaina Madden, Director of Housing Finance
Cc: Greg Flisram, Executive Director
Diamonte Walker, Deputy Executive Director
Date: March 10, 2022
Re: Agenda Item 8(a): Residential Lending & Investments

8(a) East Hills – Prestigious Hills

- i. Authorization to enter into a Rental Gap Program loan agreement with Prestigious Hills, LP in the amount not to exceed \$1,250,000 for the renovation of Prestigious Hills (formerly known as “Second East Hills”), a 117-unit community in the East Hills neighborhood of the City of Pittsburgh.

Authorization Details

Borrower/Developer: Prestigious Hills, LP

Contractor: Mistick Construction

Location: 2206-2216 East Hills Dr.; 2211-2289 & 2218-2302 Wilner Dr. Pittsburgh, PA 15221

Neighborhood: East Hills

Council District: 9

Description: The Prestigious Hills 4% Low Income Housing Tax Credit (LIHTC) redevelopment includes the rehabilitation/renovation of 117 scattered site units across 29 separate townhomes. Built in 1969 as part of a larger 404-unit development, the properties were acquired by East Hills, LP in 2004. East Hills, LP and Telesis Corporation then completed a rehabilitation of the units utilizing 9% LIHTC named “Second East Hills Phase I.” Eighteen years later, many of the units need reinvestment and renovations to maintain affordable housing assets in the community.

This rehabilitation and renovations to the units include interior, exterior, and site improvement work. The project is comprised of 87 three-bedroom units and 30 four-bedroom units which are all affordable. Twenty-four (24) units are rented at or below 30% AMI and 93 units are at or below 50% AMI. All these units are also supported by a HUD Housing Assistance Program Section 8 contract. As required by the Rental Gap Program (RGP), a Declaration and Agreement of Restrictive Covenants would be recorded, ensuring that these units remain affordable at those AMI thresholds for a period of 40 years.

The proposed \$1,250,000 RGP loan would have a 40-year term plus the construction period and would occupy third lien position behind the first position Freddie Mac Tax-Exempt Loan and second position PHFA Construction Cost Relief Program (CCRP)/Housing Trust Fund (HTF) loan. Repayment would occur annually as a



percentage of Net Project Cash Flow, though the outstanding balance would be due upon maturity of the loan. The proposed RGP loan would be funded entirely with HOF 2021 30% Set-Aside funds.

Other funding sources include a deferred development fee, seller’s note, assumed subordinate debt, energy rebate, and 4% LIHTC equity raised through the sale of tax-exempt bonds issued by the URA in the amount of \$14,000,000.

Authority Financing for Review: Rental Gap Program (RGP) loan in the amount of \$1,250,000.

Collateral: RGP loan will occupy third lien position and will be evidenced by an RGP Loan Agreement, RGP Note, Open-End Mortgage & Security Agreement, and a Declaration and Agreement of Restrictive Covenants.

Required Approvals: Real Estate Loan Review Committee (RELRC) – March 2, 2022
Housing Opportunity Fund (HOF) Advisory Board – March 3, 2022

Program Sources: HOF 2021 (30% Set-Aside) -- \$1,250,000

MWBE: MWBE Narrative and Total Cost Calculator approved by MWBE Program Office; Final MWBE Plan must be approved prior to loan closing.

Commitment Expiration Date: August 10, 2022 -- To be extended at the Director of Housing Lending’s discretion.

Sources of Funds	
Permanent Financing – 1 st Lien (Freddie Mac Tax-Exempt Loan)	\$4,922,817
Permanent Financing – 2 nd Lien (PHFA CCRP/HTF)	\$1,779,136
Permanent Financing – 3 rd Lien (URA Rental Gap Program)	\$1,250,000
4% LIHTC Equity	\$8,674,500
Deferred Development Fee	\$381,202
Seller Note	\$958,139
Assumed Subordinate Debt	\$6,040,744
Energy Rebate	\$2,950
Total Project Financing	\$24,009,488

Uses of Funds	
Acquisition	\$7,400,000
Hard Costs	\$10,453,497
Fees	\$1,082,762
Miscellaneous Development Expenses	\$449,812
Construction & Permanent Loan Financing	\$1,762,747
Reserves & Developer Fee	\$2,515,197
Syndication Fees & Expenses	\$345,473
Total Project Uses	\$24,009,488

Director's Report

To: URA Board of Directors
From: Shaina Madden, Director of Housing Finance
Cc: Greg Flisram, Executive Director
Diamonte Walker, Deputy Executive Director
Date: March 10, 2022
Re: Agenda Item 8(b): Residential Lending & Investments

8(b) East Liberty – Stanton Highland Apartments Phase II

- i. Authorization to enter into a Rental Gap Program loan agreement with AHI Stanton Highland Apartments, Inc. in the amount not to exceed \$690,000.

Authorization Details

Borrower/Developer AHI Stanton Highland Apartments - A single purpose entity created by ACTION- Housing Inc.

Contractor: Nelcon, Inc.

Location: 738 N. Highland Avenue

Neighborhood: East Liberty

Council District: 9

Description: Stanton Highland Apartments is comprised of three (3) multi-family residential buildings originally owned by the Pittsburgh Theological Seminary for use as market-rate graduate student housing. However, changing needs from both the community and the Seminary led the Seminary to sell the buildings to the nonprofit ACTION-Housing. The sale was made under the condition that the apartments be rehabilitated and transformed into affordable housing. ACTION-Housing began Phase I of their plans in 2020, which included core and shell renovations to the 31 units in the Anderson and McMillan Buildings.

With Phase I complete, ACTION-Housing is requesting a Rental Gap Program (RGP) Loan for Phase II. Phase II will see the 23-unit Hawthorn Building undergo similar core and shell renovations and the construction of several additional components, including the construction of a new community room in the complex's interior courtyard, a new elevator tower, and an accessible building entrance. Modifications in accordance with Uniform Federal Accessibility Standards will also be made to 10 of these units to make them accessible for tenants with disabilities.

The Housing Authority of the City of Pittsburgh awarded the project up to \$2.07 million in gap funding and 23 project-based vouchers (PBV) in support of Phase II. HUD's PBV income eligibility restrictions and rent caps will dictate long-term affordability of these units, with tenants paying a maximum of roughly 30% of their income toward rent. It is anticipated that all 23 units will serve households with incomes less than 50% AMI.



After the construction phase, ACTION-Housing will work with Achieva, the United Way, and My Place to support at-risk tenants in these buildings. This includes those who may have disabilities or who are aging out of foster care.

The property is not occupied so there will be no temporary relocation. Construction is expected to begin in early 2022 and be completed within eight (8) months.

- Authority Financing for Review:** Rental Gap Program Loan in the amount of \$690,000
- Collateral:** A recorded mortgage as well as a Declaration of Restrictive Covenants for 23 units to be rented affordably to households at or below 50% AMI
- Required Approvals:** March 2, 2022 – Real Estate Loan Review Committee
March 3, 2022 – HOF Advisory Board Meeting
- Program Sources:** HOF RGP 2021
- MWBE:** Narrative and Cost Calculator approved, Final MWBE Plan must be approved before loan closing.
- Commitment Expiration Date:** August 10, 2022 – To be extended at the Director of Residential Lending’s discretion.

Sources of Funds	
Permanent Financing – 1 st Lien (Tri-State Capital Bank)	\$1,437,755
Permanent Financing – 2 nd Lien (PTS)	\$402,481
Allies & Ross Management and Development Corporation Loan	\$2,070,000
PHFA Grant	\$250,000
RGP Loan (Pending)	\$690,000
Total Project Financing	\$4,850,236

Uses of Funds	
Hard Costs	\$3,136,649
Architectural & Inspection Fees	\$177,178
Miscellaneous Development Expenses	\$42,100
Construction & Permanent Loan Financing Charges	\$198,073
Acquisitions	\$1,044,000
Reserves & Developer Fee	\$252,236
Total Project Uses	\$4,850,236

Director's Report

To: URA Board of Directors
From: Jennifer Wilhelm, Chief Lending & Solutions Officer
Cc: Greg Flisram, Executive Director
Diamonte Walker, Deputy Executive Director
Date: March 10, 2022
Re: Agenda Item 9(a): Development Services

9(a) Troy Hill – Troy Hill Firehouse

- i. Authorization to enter into exclusive negotiations with QGE Holdings or a related entity for a period of six (6) months for the sale of parcel 48-N-10.

Authorization Details

In November 2021, the URA, in partnership with the City of Pittsburgh, released a Request for Proposals (RFP) for the redevelopment of the historic firehouse located at 1800 Ley Street in Troy Hill. This city-owned parcel comprises approximately 2,200 square feet.

In December 2021, the URA received three (3) proposals in response to the RFP. URA staff, along with the review committee comprised of relevant community stakeholders, interviewed all three development teams. After reviewing the proposals and interviewing the development teams, the selection committee unanimously decided to move forward with QGE Holdings' proposal.

Authorization is now requested to enter into Exclusive Negotiations with QGE Holdings for the sale of the city-owned property for a neighborhood grocery market and café.

Project Description

QGE Holdings intends to redevelop the site into a neighborhood grocery market and café. The market would source locally grown products from farmers in Western PA and includes a café that will sell prepared foods. The market and café would be managed and operated by the owners of Scratch and Co., an existing restaurant across the street from the Firehouse. Due to the historic nature of the building and the ongoing nomination for historic designation with the Historic Review Commission, all renovations will be sensitive to restoring the building to its original condition. Total development costs are estimated at \$658,000.

Approved MWBE and MWI Narratives are on file.

QGE Holdings is a Limited Liability Corporation with a mailing address of 1600 Lowrie Street, Pittsburgh, PA 15212. Chad Chalmers and Heather Wildman are the founders.



**Regular Board Meeting
March 2022
DISCLOSURE AGENDA**

1. Agreements/Amendments

- a. 2022 Paygo Cooperation Agreement
 - i. Authorization to execute a 2022 Paygo Cooperation Agreement with the City of Pittsburgh for an amount up to \$1,237,000.

- b. Dinwiddie Plaza Cooperation Agreement
 - i. Authorization to execute a cooperation agreement with the City of Pittsburgh for the creation of publicly accessible park space as part of the Fifth and Dinwiddie redevelopment in collaboration with the Children’s Museum of Pittsburgh for an amount up to \$175,000.

- a. East Hills – Prestigious Hills
 - i. Authorization to amend Resolution No. 261 (2021) to increase the Final Authorization to issue Tax Exempt Multifamily Bonds in the amount of \$12,000,000 to \$14,000,000.

2. Acquisitions

- a. Acquisition via deed in lieu of foreclosure of the following property from the estate of Dorothy A. Skolnekovich for \$1.00 plus costs using Leased Land:

<u>Ward</u>	<u>Block/Lot</u>	<u>Address</u>
27	44-H-212	2807 Holbrook Street

- b. Acquisition via donation of the following property from the estate of Larry Sansotta for \$1.00 plus costs using Leased Land:

<u>Ward</u>	<u>Block/Lot</u>	<u>Address</u>
15	56-B-313	4721 Irvine Street

3. Certificates of Completion

- a. Certificate of Completion and return of Good Faith Deposit for First Site Development, L.P., for Block 30-F, Lot 160, and Block 30-G, Lot 10, and Block 30-F, Lot 150, and Block 30-G, Lot 20, and in the 16th Ward (commercial development, 3433 E. Carson Street and 3447 E. Carson Street).

4. Grants

- a. DCNR Recreation and Conservation Grants Program
 - i. Resolution authorizing the Executive Director of the Urban Redevelopment Authority of Pittsburgh to apply for funding from the Pennsylvania Department of Conservation and Natural Resources (DCNR) Community Conservation Partnership Program (C2P2) to secure project funding for Broad Street Plaza. In the event that a grant is awarded, this resolution provides for the execution of a grant agreement and grant expenditures in an amount not to exceed \$500,000, for this stated purpose.

- b. DCED Statewide Local Share Account Program
 - i. Resolution authorizing the Executive Director of the Urban Redevelopment Authority of Pittsburgh to apply for funding from the Pennsylvania Department of Community and Economic Development (DCED) Statewide Local Share Account Program (LSA) to secure project funding for Broad Street Plaza. In the event that a grant is awarded, this resolution provides for the execution of a grant agreement and grant expenditures in an amount not to exceed \$500,000, for this stated purpose.
 - ii. Resolution authorizing Pittsburgh Housing Development Corporation (PHDC) to apply for funding from the Pennsylvania Department of Community and Economic Development (DCED) Statewide Local Share Account Program (LSA) to secure project funding for the development of four (4)

- affordable for-sale housing units associated with the Rosetta Street project. In the event that a grant is awarded, this resolution provides for the execution of a grant agreement and grant expenditures in the amount of \$500,000, for this stated purpose.
- iii. Resolution authorizing Pittsburgh Housing Development Corporation (PHDC) to apply for funding from the Pennsylvania Department of Community and Economic Development (DCED) Statewide Local Share Account Program (LSA) to secure project funding for the establishment of sustainable re-usable materials demolition fund. In the event that a grant is awarded, this resolution provides for the execution of a grant agreement and grant expenditures in the amount of \$200,000, for this stated purpose.
 - iv. Resolution authorizing the Urban Redevelopment Authority of Pittsburgh to apply for funding from the Pennsylvania Department of Community and Economic Development (DCED) Statewide Local Share Account Program (LSA) to secure project funding on behalf of nonprofit project leads, specifically for projects located with the City of Pittsburgh. In the event that grants are awarded to related nonprofit project owners, this resolution provides for the execution of a grant agreement and subsequent subgrant agreements in an amount not to exceed \$1,000,000 per award.
- c. DCED Business in Our Sites Program
- i. Resolution authorizing the Executive Director of the Urban Redevelopment Authority to apply for funding from the Pennsylvania Department of Community and Economic Development (DCED) Business in Our Sites (BOS) grant/loan program to secure financing for the 25-acre Fairwood Industrial Site development project. In the event of a loan/grant allocation, this resolution provides for the execution of an agreement or agreements with the Commonwealth Financing Authority in a total grant/loan amount of \$4,000,000.
- d. Redevelopment Assistance Capital Program (RACP) Grants (New Awards)
- i. Authorization to file applications with and enter into contracts with the Commonwealth of Pennsylvania Office of the Budget for Redevelopment Assistance Capital Program (RACP) grants.
 - ii. Authorization to enter into subgrant agreements for awarded RACP grants with Subgrantees and to contract for administrative fees.
 - iii. Authorization to enter into Cooperation Agreements with the City of Pittsburgh concerning the applications and grants.

The following projects have received award letters from the Pennsylvania Office of the Budget for RACP grants:

1. 1501 Penn Avenue Redevelopment - \$1 Million RACP
 The project will demolish the existing cold storage building located at 1501 Penn Avenue. The RACP scope will include costs associated with Phase I, which involves the demolition and abatement of the site to prepare for the rebuild of a mixed-use office building. The building will include central chilled beam HVAC / supplemental cooling, enhance indoor air-quality strategies, and supporting water conservation efforts. The project will have a total building area of 951,593 SF, consisting of 537,068 SF of Class A office space across 15 levels, plus 21,301 SF of retail space, 14,000 SF of amenities, and parking spaces. The installation of exterior improvements such as sidewalks, public plaza, tree pits and trees, plantings, curbs, and bicycle racks are also included.
 Subgrantee: 1501 Penn Owner LLC or related entity
 Neighborhood: Strip District
 Council District: 7
2. 2021 Mill 19 Redevelopment RACP - \$1 Million RACP
 The project will construct public amenities on the South Porch of the facility as well as a parking structure on the K2 parcel. The new construction of the South Porch amenities at Mill 19 includes an



elevator, an observation deck overlooking a new privately funded public plaza in which a storage facility will be built to house necessary equipment for such public events, and access to the third floor of Building A. Construction of a new parking structure on parcel K2 will support tenancy and additional developments.

Subgrantee: RIDC Southwestern Pennsylvania Growth Fund or related entity

Neighborhood: Hazelwood

Council District: 5

3. 3 Crossings Phase 2 - \$750,000 RACP

This phase will develop 600,000 SF of office space, 50,000 SF of retail space, 300 residential units, and over 1,300 parking spaces on a 10-acre brownfield site

Subgrantee: Three Crossings 2.0, LP, or related entity

Neighborhood: Strip District

Council District: 7

4. 5051 Centre Avenue – Shared Lab Space (Pittsburgh) - \$1 Million RACP

The project will construct a 355,000 SF laboratory and office building.

Subgrantee: Wexford Development, LLC, or related entity

Neighborhood: Bloomfield

Council District: 7

5. 925 Technology Drive Garage Pittsburgh - \$1.2 Million RACP

Construction of a new, multi-story parking garage at the Pittsburgh Technology Center.

Subgrantee: None at this time or related entity (if necessary)

Neighborhood: South Oakland

Council District: 3

6. Allegheny Circle Neighborhood Restoration - \$1,001,695 RACP

The project will improve the parking garage for Allegheny Circle.

Subgrantee: Faros Property Management LLC or related entity

Neighborhood: Allegheny Center

Council District: 1

7. Jasmine Nyree Campus Redevelopment – \$1 Million RACP

The project has three phases: First involves rehabilitating a three-story school containing 18 large rooms. Refurbishing includes all peripherals, walls, floors, plumbing, toilets, sinks, gas lines, electrical installation, and HVAC. The job requires the installation of windows on all sides of the building. The project will refurbish the floors in the hallways, stairwells, and banisters. The installation includes an elevator. The structure will serve as a community center. The second is to refurbish the roof, windows, and HVAC of the 8,000 SF former convent to prepare for affordable housing. The phase includes the refurbishing of all peripherals, walls, floors, plumbing, toilets, sinks, gas lines, and electrical installation. The third phase involves re-pavement of the parking lot.

Subgrantee: Jasmine Nyree Homes, Inc., or related entity

Neighborhood: Sheridan

Council District: 2

8. Renovations to the Carnegie Music Hall – Pittsburgh, PA - \$1.5 Million RACP

The proposed RACP project will meet the need for cultural/recreational venues and amplify the economic impact of the Carnegie Music Hall. Its scope will include architectural and engineering costs associated with seating upgrades, as well as the installation of a new energy efficient air circulation, conditioning, and filtration system.

Subgrantee: Carnegie Institute or related entity

Neighborhood: Oakland
Council District: 8

9. Riviera Wet Lab Conversion - Pittsburgh - \$6 Million RACP

The project intends to convert The Riviera building from office use to wet lab use. This entails intensive mechanical upgrades to the existing infrastructure, including HVAC and plumbing.

Subgrantee: 350 Technology Drive Partners, LLC, or related entity

Neighborhood: South Oakland

Council District: 3

10. Tree of Life – REMEMBER. REBUILD. RENEW. - \$6.6 Million RACP

The Tree of Life project includes: preserving the historic spaces, including the stained-glass windows and iconic structure at the corner of Shady and Wilkins; modernizing and right-sizing the main sanctuary to serve as a flexible space for worship, celebrations, educational programming, and communal space; creating a welcoming and commemorative space to reflect and remember events and lives lost on October 27, 2018; designing an innovative and interactive Holocaust and modern anti-Semitism exhibit; adding flexible and modular classrooms, state-of-the-art collaborative and communal space for symposia and conferences.

Subgrantee: Tree of Life or L'Simcha Congregation or related entity

Neighborhood: Squirrel Hill

Council District: 8

11. Yeshiva Schools - Greenfield Campus Rehabilitation - \$2 Million RACP

Renovation and selective demolition related to the rehabilitation of 411 Greenfield Avenue into a Jewish elementary-high school for local and boarding students. Included are purchasing property; remediating environmental hazards including asbestos and lead paint; achieving ADA compliance including remodeling bathrooms and installing a kitchen and an elevator; replacing windows and installing high-efficient lighting and a new HVAC system with purification capabilities; and creating green areas and a playground.

Subgrantee: Yeshivath Achei Tmimim of Pittsburgh or related entity

Neighborhood: Greenfield

Council District: 5

e. Redevelopment Assistance Capital Grants with Previous Award

- i. Authorization to file applications with and enter into contracts with the Commonwealth of Pennsylvania Office of the Budget for Redevelopment Assistance Capital Program (RACP) grants.
- ii. Authorization to enter into subgrant agreements for awarded RACP grants with Subgrantees and to contract for administrative fees.
- iii. Authorization to enter into Cooperation Agreements with the City of Pittsburgh concerning the applications and grants.

The following project received an award letter from the State Office of the Budget for an RACP Grant for additional RACP funding which requires the URA to increase the RACP award from \$6 Million to \$10 Million in the previously approved Resolutions:

1. FNB Financial Center - \$6 Million RACP

Construction of a mixed-use 26-story office tower.

Subgrantee: First National Bank of Pennsylvania or related entity

Neighborhood: Lower Hill

Council District: 6

Amend resolutions 111, 112 & 113 from 2021 for \$6 million to increase to \$10 million.



Appendix - March 2022 Resolutions

6. BUSINESS SOLUTIONS

Item 6(a)

RESOLUTION NO. _____ (2022)

RESOLVED: That the adoption of program guidelines for the URA Ventures Pilot Program is hereby approved.

RESOLUTION NO. _____ (2022)

RESOLVED: That adoption of program guidelines for the Minority/Women-owned Business Enterprise (MWBE) Developer Equity Fund Pilot Program is hereby approved.

7. AVENUES OF HOPE

Item 7(a)

RESOLUTION NO. ____ (2022)

RESOLVED: That a loan to a to-be-formed Investment Fund with the URA and PNC Bank to fund the New Markets Tax Credit (NMTC) loan fund to an amount of approximately \$1,000,000, for an amount not to exceed \$719,200 payable from the UDF/PBGF State repayments for funding the New Markets Tax Credit (NMTC) Loan Fund is hereby approved, and the Executive Director, Deputy Executive Director and/or Director of Finance, 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 same and affix the seal of the Authority thereto.

RESOLUTION NO. ____ (2022)

RESOLVED: That the provision of a New Markets Tax Credit (NMTC) recapture guarantee to the New Markets Tax Credit equity investor, PNC Bank, is hereby approved.

Item 7(b)

RESOLUTION NO. ____ (2022)

RESOLVED: That exclusive negotiations with The Citizen Science Lab for the sale of the following four (4) publicly owned parcels in the 5th Ward, for a period of six (6) months, is hereby approved:

Ward	Block	Address	Current Owner
5 th	27-A-181	636 Herron Avenue	City of Pittsburgh
5 th	27-A-182	0 Herron Avenue	City of Pittsburgh
5 th	27-A-183	636 Herron Avenue	City of Pittsburgh
5 th	27-A-184	0 Herron Avenue	City of Pittsburgh

Item 7(c)

RESOLUTION NO. _____ (2022)

RESOLVED: That a grant with City of Bridges, for an amount of up to \$620,000, payable from the Housing Opportunity Fund (HOF) For Sale Development Program is hereby approved, and the Executive Director, Deputy Executive Director and/or the Director of Finance, on behalf of the Authority, is hereby authorized to execute an 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 For Sale Development Program guidelines to exceed the per unit grant amount of \$100,000 is hereby approved.

RESOLUTION NO. ____ (2022)

RESOLVED: That the final drawings and evidence of financing submitted by City of Bridges, for the sale of the following five (5) publicly owned properties along Chatsworth and Hazelwood Avenues in Hazelwood, are hereby approved, and the Executive Director, Deputy Executive Director and/or Director of Finance, 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:

Ward	Block & Lot #	Address	Current Owner
15 th	56-F-326	0 Chatsworth Avenue	URA
15 th	56-F-326A	0 Chatsworth Avenue	URA
15 th	56-F-327	0 Chatsworth Avenue	URA
15 th	56-F-330	0 Chatsworth Avenue	URA
15 th	56-F-331	0 Chatsworth Avenue	URA

8. RESIDENTIAL LENDING & INVESTMENTS

Item 8(a)

RESOLUTION NO. ____ (2022)

RESOLVED: That a loan with Prestigious Hills, LP, for the renovation of Prestigious Hills (formerly known as “Second East Hills”), a 117-unit community in the East Hills neighborhood of the City of Pittsburgh, for an amount not to exceed \$1,250,000 payable from the Housing Opportunity Fund (HOF) Rental Gap Program is hereby approved, and the Executive Director, Deputy Executive Director and/or Director of Finance, 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 same and affix the seal of the Authority thereto.

Item 8(b)

RESOLUTION NO. ____ (2022)

RESOLVED: That a loan with AHI Stanton Highlands Apartments, Inc., for an amount not to exceed \$690,000, payable from the Housing Opportunity Fund (HOF) Rental Gap Program is hereby approved, and the Executive Director, Deputy Executive Director and/or Director of Finance, 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 same and affix the seal of the Authority thereto.

9. DEVELOPMENT SERVICES

Item 9(a)

RESOLUTION NO. ____ (2022)

RESOLVED: That exclusive negotiations with QGE Holdings or a related entity for the sale of parcel 48-N-10, for a period of six (6) months is hereby approved.

10. ADMINISTRATION

Item 10(a)

RESOLUTION NO. ____ (2022)

RESOLVED: That the 2022 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.

