

URA Board Agenda



Date/Time: Thursday May 12, 2022 at 2:00 PM

Web Access: <https://us06web.zoom.us/j/88216166539>

Dial In: 1 (929) 205-6099

Webinar ID: 882 1616 6539

Regular Board Meeting

AGENDA

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 1. North Homewood Avenue – McCormack Baron Salazar or a related entity, for Block 174-N, Lots 190, 192, 194, 296, 198, 298 in the 13th Ward.
 2. 4800 Second Avenue – The Community Builders, Inc., or a related entity, for Block 56-F, Lots 96, 99, 100, 101, 103, 104, 106, 107, 108, 109, and 110, in the 15th Ward.
 3. Bedford Dwellings Phase I – TREK Development, or a related entity, for Block 11-E, Lots 297-B, 298, 298-A, 299, 300-A, 300-B, 301, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 318, 319 and Block 11-A, Lots 35, 36, 37, 38, 40, 41, 42, 43, 44, 46, 47, 48, 151 in the 3rd Ward.
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 - i. Proposal and form of contract for the sale of Block 70-A, Lots 3 and 10, and Block 70-E, Lots 185, 241, and 375, in the 28th Ward, to Cedarwood Homes Holdings, LLC, or a related entity, for \$434,900.
 - ii. Approval to enter into a Rental Gap Program (RGP) loan agreement of up to \$1,412,368 with Cedarwood Homes Holdings, LLC for the new construction of 46 single-story townhomes of senior housing.
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Director's Report

To: URA Board of Directors
From: Jennifer Wilhelm, Chief Lending & Solutions Officer
Cc: Greg Flisram, Executive Director
Date: May 12, 2022
Re: Agenda Item 5(a): Avenues of Hope – Commercial Lending & Investments

5(a) Centre Avenue – Salem's Market Hill District Expansion

- i. Approval of a Pittsburgh Business Fund loan of up to \$1,370,000.
- ii. Authorization to waive Pittsburgh Business Fund guidelines.

Authorization Details

Borrower/Developer Salem's Market Centre Avenue, LLC

Contractor: TBD

Location: 1850 Centre Avenue

Neighborhood: Middle Hill

Council District: 6

Description: Commercial Loan of up to \$1,370,000 from the Pittsburgh Business Fund to support reopening of a grocery store, restaurant, and agricultural processor in the Hill District neighborhood of the city. Loan funds will be for leasehold improvements, equipment, inventory, working capital and other expenses related to the operations of the grocery store, restaurant, and processing operations.

URA sought applications to fill the vacant grocery store site located at the Centre Heldman Plaza (Former SHOP 'n SAVE). Based on the scorecards, the URA selected Salem's. Salem's has been a locally run minority-owned business for over 40 years.

URA entered lease negotiations with Salem's Market & Grill, LLC; The lease was executed on January 21, 2022.

Total projected costs are estimated at \$6,780,000 and will be funded by a combination of a Key Bank loan, supported with a guarantee of the Small Business Administration 7a program, and the proposed URA loan, with the remaining funds provided by equity by the company.

The location is within a designated Avenue of Hope, in the heart of the Hill District neighborhood of the city. The project will provide the community a much-needed grocery store in what is currently a food desert. Additionally, the project will also bring much needed jobs to the area, with expected employment of more than 62 full time, well-paying jobs, and several part time positions. There is sufficient collateral and operations will support debt service in year two of operations, increasing going forward.



This effort represents a partnership of public and private funding through a collaboration of the URA and Key Bank.

Due to the size of the loan in excess of the \$500,000 limit, a waiver of PBF guidelines is requested.

Authority Financing for Review: \$1,370,000 commercial loan from the Pittsburgh Business Fund program

Collateral: Leasehold improvements, equipment, inventory, and additional real estate

Required Approvals: Real Estate Loan Review Committee (5/4/22)

Program Sources: Business Lending Fund

MWBE: Narratives and cost calculator in progress

Commitment Expiration Date: September 12, 2022

Sources of Funds	
KeyBank SBA	\$ 4,535,000
KeyBank WC LOC	\$ 465,000
URA PBF	\$ 1,370,000
Equity	\$ 410,000
Total Project Financing	\$ 6,780,000

Uses of Funds	
Leasehold Improvements & Buildout	\$ 2,000,000
Construction Contingency	\$ 200,000
Interest Reserve	\$ 100,000
Machinery & Equipment	\$ 1,500,000
Inventory	\$ 1,200,000
Soft Costs	\$ 350,000
Permanent Working Capital	\$ 740,000
SBA Guarantee Fee	\$ 125,000
Working Capital	\$ 100,000
SBA Working Capital LOC	\$ 465,000
Total Project Uses	\$ 6,780,000



Director's Report

To: URA Board of Directors
From: Jennifer Wilhelm, Chief Lending & Solutions Officer
Cc: Greg Flisram, Executive Director
Date: May 12, 2022
Re: Agenda Item 5(b): Avenues of Hope – Development Services

5(b) Avenues of Hope-wide – 9% Low Income Housing Tax Credit (LIHTC) Pre-Application

- i. Exclusive Negotiations with the following developers for the sale and redevelopment of the following properties, through December 31, 2022, with an automatic extension to mirror Pennsylvania Housing Finance Agency's (PHFA) closing deadline if the project receives a 9% LIHTC allocation:
 1. North Homewood Avenue – McCormack Baron Salazar or a related entity, for Block 174-N, Lots 190, 192, 194, 296, 198, 298 in the 13th Ward.
 2. 4800 Second Avenue – The Community Builders, Inc., or a related entity, for Block 56-F, Lots 96, 99, 100, 101, 103, 104, 106, 107, 108, 109, and 110, in the 15th Ward.
 3. Bedford Dwellings Phase I – TREK Development, or a related entity, for Block 11-E, Lots 297-B, 298, 298-A, 299, 300-A, 300-B, 301, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 318, 319 and Block 11-A, Lots 35, 36, 37, 38, 40, 41, 42, 43, 44, 46, 47, 48, 151 in the 3rd Ward.
 4. Legacy Village – Legacy Village LLC, or a related entity, for Block 46-J, Lots 221, 220, 219, 212, 210, 209, 334, 336, 337, 339, 341, 343, 345 and Block 46-N, Lots 46-N, 230, 231, 232, 233, 234, 235 in 25th and 26th Wards.

Authorization Details

All the above listed developments plan to apply to the Pennsylvania Housing Finance Agency (PHFA) for an allocation of Low-Income Housing Tax Credits (LIHTC) in June 2022. The LIHTC program allocates federal tax credits for the creation and preservation of affordable housing. PHFA receives an annual allocation of tax credits from the IRS and allocates them in a competitive process pursuant to a Qualified Allocation Plan. Most proposed LIHTC projects need gap funding from the URA and/or require URA-or city-owned land. To understand the pipeline of potential projects and the resultant demand for URA resources, the Authority issued a LIHTC Pre-Application to be completed and submitted by developers who plan to apply to PHFA in June 2022 for an allocation of 9% tax credits. The pre-application process assists the URA and City in evaluating the potential LIHTC applications relative to each other. The pre-application was due to the Authority on Monday, November 9, 2020. The Authority received 11 pre-applications for proposed LIHTC projects located within the City of Pittsburgh. Ten (10) applications included preliminary URA funding requests and four (4) of the proposed projects require the acquisition of URA- and/or city-owned property.

The URA is currently reviewing all applications. Full LIHTC applications are due to PHFA by June 30, 2022. Any proposed Authority financial support will be subject to continuing review of project budgets, approval of plans, specifications and projects costs, an allocation of tax credits from PHFA, the developer securing other project sources of funds, future availability of URA funds, and future URA Board approval.

Evidence of site control is a requirement of the PHFA LIHTC application. We are requesting authorization to enter into Exclusive Negotiations in order to provide the developers with the needed site control. Exclusive Negotiations approval is initially being requested through December 31, 2022, to allow sufficient time for the PHFA funding decisions to be made. For those developments receiving an allocation of tax credits from PHFA, the Exclusive Negotiations authorization will be able to be extended to reflect PHFA's closing deadlines for 9% LIHTC projects.



Descriptions of the projects requesting site control are as follows:

North Homewood Avenue

McCormack Baron Salazar was the selected respondent from a fall 2021 URA-issued Request for Information (RFI) to serve as the developer for a mixed-use development of five (5) parcels located on North Homewood Avenue between Susquehanna Street and Hamilton Avenue. The developer is proposing the construction of a 60-unit mixed-use, mixed-income building with 10,000 square feet of retail on the ground floor and 60 units above. There are 36 one-bedroom units and 24 two-bedroom units with 45 of the units at affordable to households at or below 60% AMI. A total of 15 units will be assisted with Project-based vouchers. The North Homewood project is an anchor for Homewood and the cornerstone of the Avenues of Hope initiative. The total project costs are expected to be \$19.8 million.

4800 Second Avenue

The Community Builders, Inc. (TCB) is proposing the construction of a 44-unit mixed-income, mixed-use building at the intersection of Second and Hazelwood Avenues in the Hazelwood neighborhood of the City of Pittsburgh. The building will contain 38 one-bedroom apartments and six (6) two-bedroom apartments. The project will have 37 units affordable to households at or below 60% AMI and seven (7) units rented at market rate. The building will also contain ground floor retail space, a health and wellness room, a community room for resident gatherings, and on-grade parking beneath the building. Total project costs are estimated at \$20.1 million.

This LIHTC application is part of a larger redevelopment effort in the area that includes the City of Bridges Community Land Trust who is working to develop 12 single family homeownership units and the creation of a public plaza along Hazelwood Avenue.

Bedford Dwellings Phase I

Trek Development has teamed up with the Housing Authority of the City of Pittsburgh's development subsidiary, Allies and Ross Management and Development Corporation, for the first phase of the redevelopment of Bedford Dwellings. Bedford Dwellings Phase I will be the first development ahead of an application to HUD for a Choice Neighborhoods Implementation Grant and hopes to serve as a catalyst for further neighborhood development in the Hill District. The first phase will provide replacement housing for the residents of Bedford Dwellings public housing as well as market-rate units.

The site was formerly home to Reed Roberts Manor, located at the intersection of Reed and Roberts Streets. The development will transform vacant land on a key intersection in the neighborhood, allowing residents to relocate from distressed public housing, and create an opportunity for residents to live closer to the growing option of amenities available on Centre Avenue.

The development is a twinning strategy, using both 9% and 4% LIHTCs from PHFA. The full Bedford Phase I development plan includes approximately 120 units. The 9% component will include 41 one-bedroom units, eight (8) two-bedroom units, and 11 three-bedroom units. Thirty-seven (37) units will be affordable to households at or below 60% AMI, and 23 units will be market rate. The site plan for the 9% component includes one elevator served apartment building on Colwell and several three-bedroom townhomes. Total project costs for the 9% component are expected to be \$24.9 million.

Legacy Village

Legacy Village LLC is a joint venture between Legacy International Worship Center and Bridging the Gap Development. Together, they plan to seek 9% LIHTCs for Legacy Village, a planned scattered site project along Wilson Avenue in Pittsburgh's Perrysville South neighborhood. The site includes scattered site infill new-construction of detached housing, as well as a 14-unit building on what is currently the Legacy International Worship Center. The project will contain 34 units, all to be rented affordably to households at or below 60% AMI. The project calls for eight (8) one-bedroom units, six (6) two-bedroom units, 17 three-bedroom units, and three (3) four-bedroom units.



The project will have supportive services provided by Legacy International Worship Center’s nonprofit that focuses on a holistic approach to meeting resident’s needs. Community programming will include providing food distribution for residents in need, workforce development/placement services, and financial counseling. Additionally, Legacy International operates the community center at Fowler Park, several blocks from the site and will ensure that residents are connected to the community and health amenities provided at the facility.

Total project costs are expected to be \$18.9 million.

9% LIHTCs (June 2022)

The projects listed below will also be seeking 9% LIHTCs from PHFA in June 2022 but do not have any formal URA Board actions required at this time:

LIHTC Project	Neighborhood	Unit Count	Development Team
HG1 Eliza	Hazelwood	45 Units (all affordable)	Tishman Speyer Communities
Louis A. Venson Lofts	Beltzhoover	44 Units (all affordable)	Gatesburg Road Development & Fulani Development
Oakland Pride Housing	Oakland	55 Units (all affordable)	Presbyterian SeniorCare Network & Affirmative Investments
Uptown Apartments	Uptown	71 Units (16 market rate, 55 affordable)	Beacon Communities Services, LLC
Uptown Flats	Uptown	34 Units (all affordable)	Bethlehem Haven & ACTION Housing
East Hills West	East Hills	91 Units (all affordable)	Telesis
Burrows View	Terrace Village	205 Units (164 market rate, 41 affordable)	Corcoran Jennison Company, Beacon Communities & Housing Authority of the City of Pittsburgh



Director's Report

To: URA Board of Directors
From: Evan Miller, Assistant Director of Residential Lending
Cc: Greg Flisram, Executive Director
Date: May 12, 2022
Re: Agenda Item 6(a): Residential Lending & Investments

6(a) South Oakland – Frazier North Residences

- ii. Approval to enter into a For Sale Development Program (FSDP) grant agreement of up to \$325,000 with Oakland Planning and Development Corporation (OPDC).

Authorization Details

Borrower/Developer Oakland Planning and Development Corporation

Contractor: Shape Development Group

Location: 3747, 3749, 3751, 3787 Frazier Street

Neighborhood: South Oakland

Council District: 3

Description: Oakland Planning and Development Corporation (OPDC) requests construction grant financing in the amount of up to \$325,000 to finance development costs for four (4) new-construction for-sale single family homes on Frazier Street in South Oakland. Each home will be a four-bedroom and two-bathroom unit. Construction is expected to begin in spring 2022 and be completed in November 2022.

These four (4) homes will be included in the Oakland Community Land Trust (Oakland CLT), providing permanently affordable homeownership opportunities to homebuyers at or below 80% AMI. Of these units, one (1) will be reserved for a household experiencing homelessness and two (2) will be reserved for households with special needs. Additionally, each home will have one bedroom and a full bathroom on the first floor making these homes easily adaptable for multigenerational families or families with special needs. Each unit will have a sales price of \$175,000.

Authority Financing for Review: \$325,000 For Sale Development Program (FSDP) sourced with Housing Opportunity Fund (HOF) 2019, 2020, and 2021.

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

Required Approvals: HOF Advisory Board (4/7/22)

Program Sources: HOF FSDP 2019, 2020, 2021

MWBE: Narratives and cost calculator approved

Commitment September 12, 2022

Expiration Date:



Sources of Funds	
HOF FSDP 2019	\$52,977
HOF FSDP 2020	\$12,879
HOF FSDP 2021	\$259,144
Federal Home Loan Bank AHP	\$750,000
WesBanco Construction Bridge	\$700,000
OPDC Equity	\$71,932
WesBanco Member Contribution	\$1,200
Total Project Financing	\$1,848,132

Uses of Funds	
Acquisition	\$135,598
General Requirements	\$71,404
Construction	\$1,199,182
Builder's Overhead	\$95,205
Appliances	\$12,500
Hard Cost Contingency	\$68,290
URA Origination Fee	\$6,500
URA Legal Fee	\$2,000
URA Inspection Fee	\$2,000
Developer Fee	\$90,000
Architectural Fee	\$66,900
Civil Engineering & Survey	\$22,000
Appraisal	\$1,600
Utility Tap, Hook Up & Municipal	\$10,224
Construction and Financing Charges	\$47,052
Transactions Fees	\$18,177
Total Project Uses	\$1,848,132



Director's Report

To: URA Board of Directors
From: Evan Miller, Assistant Director of Residential Lending
Cc: Greg Flisram, Executive Director
Date: May 12, 2022
Re: Agenda Item 6(b): Residential Lending & Investments

6(b) Garfield – Laurentian Hall

- i. Approval to enter into a Rental Gap Program (RGP) loan agreement of up to \$350,000 with Laurentian Hall Associates, Inc.

Authorization Details

Borrower/Developer Laurentian Hall Associates, Inc.

Location: 5321 Penn Avenue

Neighborhood: Garfield

Council District: 9

Description: Laurentian Hall is a 36-unit multi-family HUD Section 221c property, offering federally subsidized affordable one- and two-bedroom units to seniors and residents with disabilities paying no more than 30% of their income on rent. The complex has been in operation for more than 30 years and its structure needs major capital improvements, which are beyond the scope of the property management's current reserves. These improvements include replacement of the roof, elevator control system and door operator, brick point and caulking, a new boiler, and sealing of their parking lot. These renovations are necessary in maintaining Laurentian Hall's long-term affordability for its residents.

The borrower is seeking financing from the URA in the form of a \$350,000 Rental Gap Program (RGP) loan to cover the cost of these improvements. The loan would be sourced from the Housing Opportunity Fund (HOF) 2021 Rental Gap Program, would have cash-flow repayment, and would include a record of a deed restriction for securing the affordability of these units over a 40-year period. In addition to this loan, the property management would also use the remains of their replacement reserves, \$52,037, to cover the total cost.

Authority Financing for Review: \$350,000 Rental Gap Program (RGP) Loan sourced with HOF 2021

Collateral: Recorded Mortgage and a Declaration of Restrictive Covenants requiring that: 18 units be rented affordably to tenants with incomes at or below 30% AMI and 10 units be rented affordably to tenants with incomes at or below 50% AMI for a period of 40 years.

Required Approvals: Real Estate Loan Review Committee (4/6/22) and HOF Advisory Board (4/7/22)

Program Sources: HOF RGP 2021

MWBE: Narrative and cost calculator approved



Commitment
Expiration Date:

September 12, 2022

Sources of Funds	
Equity (Developer)	\$52,037
RGP Loan (Pending)	\$350,000
Total Project Financing	\$402,037

Uses of Funds	
Boiler Replacement	\$34,191
Parking Lot Overlay	\$5,750
Roof Replacement	\$153,200
Brick Pointing and Caulking	\$65,896
Elevator Replacement	\$116,000
Origination, Inspection, and Legal Fees	\$27,000
Total Project Uses	\$402,037



Director's Report

To: URA Board of Directors
From: Evan Miller, Assistant Director of Residential Lending
Cc: Greg Flisram, Executive Director
Date: May 12, 2022
Re: Agenda Item 6(c): Residential Lending & Investments

6(c) Squirrel Hill South – Munhall Road

- i. Approval to enter into a Rental Gap Program (RGP) loan agreement of up to \$250,000 with Munhall Rd Apartments, Inc.

Authorization Details

Borrower/Developer Munhall Rd Apartments, Inc.

Contractor: Nelcon, Inc.

Location: 5680 Munhall Rd

Neighborhood: Squirrel Hill South

Council District: 5

Description: Munhall Rd Apartments is a 12-unit multifamily PRAC811 building, offering affordable one-bedroom units to residents with developmental disabilities paying no more than 50% of their income on rent. Its original inception began as a joint effort between the two nonprofits, ACTION-Housing and the Jewish Residential Services (JRS) with the aim of creating a habitable environment for a vulnerable group experiencing barriers and challenges to living independently.

Although its units have maintained their affordability since its completion in 1999, the structure does require a few capital improvements in order to secure its long-term habitability. These include interior and exterior painting, landscaping, new windows throughout the building, full common area carpet replacement, four (4) common area HVAC units, and plaster repair throughout. Jewish Residential Services has offered the borrower a \$100,000 grant as funding for these renovations. In order to cover the remaining costs, the borrower has requested a \$250,000 Rental Gap Program (RGP) loan from the URA. The loan would be sourced from the Housing Opportunity Fund (HOF) 2021 Rental Gap Program, would have cash-flow repayment, and would include a record of a deed restriction for securing the affordability of these units over a 40-year period.

Authority Financing for Review: \$250,000 Rental Gap Program (RGP) Loan sourced with Housing Opportunity Fund (HOF) 2021

Collateral: Recorded Mortgage and a Declaration of Restrictive Covenants requiring that nine (9) units be rented affordably to tenants with incomes at or below 50% AMI for a period of 40 years.

Required Approvals: Real Estate Loan Review Committee (4/6/22) and HOF Advisory Board (4/7/22)



Program Sources: HOF RGP 2021

MWBE: Narrative and cost calculator approved

Commitment Expiration Date: September 12, 2022

Sources of Funds	
Grant (Jewish Residential Services)	\$100,000
RGP Loan (Pending)	\$250,000
Total Project Financing	\$350,000

Uses of Funds	
Window Replacement	\$87,600
Interior Painting	\$12,480
Common Area Carpeting Replacement	\$19,840
Plaster Repair	\$20,000
AC Unit Replacement	\$16,800
Exterior Improvements	\$42,212
Construction Management, Supervision, Overhead and Contingency	\$65,463
Origination, Inspection and Legal Fees	\$16,000
Operating Reserve Fee	\$69,605
Total Project Uses	\$350,000



Director's Report

To: URA Board of Directors
From: Evan Miller, Assistant Director of Residential Lending
Cc: Greg Flisram, Executive Director
Date: May 12, 2022
Re: Agenda Item 6(d): Residential Lending & Investments

6(d) CLT at the Fire Site – Brereton Street

- i. Approval to enter into a For Sale Development (FSDP) grant agreement of up to \$450,000 with City of Bridges Community Land Trust (CLT).
- ii. Approval to waive FSDP guidelines.

Authorization Details

Borrower/Developer City of Bridges CLT (CBCLT)

Contractor: Shape Development Group

Location: 3107, 3107½, 3109, 3111 Brereton Street

Neighborhood: Polish Hill

Council District: 7

Description: CBCLT requests construction grant financing in the amount of \$450,000 to finance development costs for four (4) new-construction for-sale single family homes on Brereton Street in Polish Hill. Two (2) units will have two bedrooms and one-and-a-half bathrooms, and the other two (2) units will have three bedrooms and one-and-a-half bathrooms. All units will be sold to buyers at or below 80% AMI. The units will also be included in the community land trust stewarded by CBCLT, who will maintain a 99-year land lease on the properties and ensure permanent affordability to 80% AMI homebuyers. The units have a sales price between \$135,000 and \$150,000.

Authority Financing for Review:

- \$450,000 FSDP sourced with HOME 2019, 2020, 2021.
- The per unit subsidy exceeds the \$100,000 per unit maximum as outlined in the FSDP guidelines. A waiver of program guidelines is requested

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

Required Approvals: URA Board of Directors

Program Sources: HOME 2019, 2020, 2021

MWBE: Narrative and cost calculator approved

Commitment Expiration Date: September 12, 2022



Sources of Funds	
HOME 2019	\$99,938
HOME 2020	\$300,000
HOME 2021	\$50,062
Federal Home Loan Bank AHP	\$750,000
CBCLT Line of Credit (LOC)	\$353,086
Hillman Foundation	\$325,000
First Commonwealth Bank LOC	\$200,000
PHARE	\$60,000
Deferred Costs	\$16,914
FCB Member Contribution	\$1,200
Total Project Financing	\$2,156,200

Uses of Funds	
Acquisition	\$26,445
General Requirements	\$82,000
Site Work	\$240,000
Environmental Remediation	\$6,000
Construction	\$1,128,809
Builder's Overhead	\$28,000
Builder's Profit	\$82,000
Building Permits	\$32,500
Materials Purchase	\$210,000
Hard Cost Contingency	\$77,540
URA Origination Fee	\$9,000
URA Legal Fee	\$2,000
URA Inspection Fee	\$2,000
Developer Fee	\$77,540
Architectural Fee	\$90,000
Civil Engineering & Survey	\$15,000
Soils/Structural Report	\$4,900
Appraisal	\$2,000
Marketing	\$2,000
Holding Fees	\$11,392
Construction and Financing Charges	\$27,074
Total Project Uses	\$2,156,200



Director's Report

To: URA Board of Directors
From: Jennifer Wilhelm, Chief Lending & Solutions Officer
Cc: Greg Flisram, Executive Director
Date: May 12, 2022
Re: Agenda Item 7(a): Development Services

7(a) East Liberty Penn Circle: Two-Way Conversion Site Preparation Contract No. 6

- i. Approval to enter into a contract of up to \$5,686,800 with Frank J. Zottola Construction, Inc. for Site Preparation Construction Services.

Authorization Details

Authorization is requested to enter into an agreement with Frank J. Zottola Construction, Inc. for Site Preparation Construction Services on the East Liberty Penn Circle: Two-Way Conversion project. The project was competitively bid, and bids were opened on March 8, 2022. Two (2) bids were received for the work. Frank J. Zottola Construction, Inc. was the lowest responsible bidder. The project converts Station Street and Euclid Avenue in the East Liberty neighborhood from one-way traffic to two-way, multi-modal neighborhood-scale streets. Improvements to the roadways include new signals, bike lanes, curb bump-outs, and other traffic calming measures to increase pedestrian and bike safety. This is the final phase of converting the Penn Circle, urban renewal era roadways into neighborhood scale streets. The targeted construction schedule is June 2022 to August 2023. The work will include but is not limited to street lighting, traffic signalization, installation of storm drainage piping and inlets, paving, ADA sidewalk ramps, concrete curbs, bus shelter relocations, and landscaping, etc.

Frank J. Zottola's MWBE participation on the project is MBE (9%) and WBE (23%). It should be noted that Frank J. Zottola has demonstrated a good faith effort to meet the required MWBE percentages. Most of the cost of this contract is electrical work which they had originally only subcontracted to Vantage Corporation (WBE). Frank J. Zottola was able to show a commitment to our goals by splitting a large amount of this electrical work with Imbutec (MBE). In addition, they will be using Reed Building Supply and Dream City Trucking, thereby increasing their MBE percentage to 9%. There is capacity for additional spending with these MBE suppliers, as Frank J. Zottola will likely need unforeseen and miscellaneous supplies throughout the life of the project. Vigliotti Landscape and Construction is the second WBE being used on this contract. Lastly, much of the work will be self-performed by Frank J. Zottola. The MWBE plan has been approved.

The funding sources for this agreement are ARPA, DCED TRID Grant, ELTRIDRA Phase 1, PennDOT Multi-Modal Grant, 2015 Paygo – East Liberty, ELTRIDRA Accrued Interest, and Capital Budget Request.



Director's Report

To: URA Board of Directors
From: Jennifer Wilhelm, Chief Lending & Solutions Officer
Cc: Greg Flisram, Executive Director
Date: May 12, 2022
Re: Agenda Item 7(b): Development Services

7(b) Fairywood – Cedarwood Homes

- i. Proposal and form of contract for the sale of Block 70-A, Lots 3 and 10, and Block 70-E, Lots 185, 241, and 375, in the 28th Ward, to Cedarwood Homes Holdings, LLC, or a related entity for \$434,900.
- ii. Approval to enter into a Rental Gap Program (RGP) loan of up to \$1,412,368 with Cedarwood Homes Holdings, LLC for the new construction of 46 single-story townhomes of senior housing.
- iii. Authorization to waive RGP guidelines to exceed the maximum RGP loan amount of \$1,250,000.

Authorization Details

Borrower/Developer Cedarwood Homes Holdings, LLC

Contractor: Mistick Construction

Location: Corner of Broadhead Fording Rd. & Village Rd., Pittsburgh, PA 15205

Neighborhood: Fairywood

Council District: 2

Description: The URA issued a Request for Proposals (RFP) on December 19, 2019 for the acquisition and redevelopment of five (5) vacant URA-owned parcels (Block 70-A, Lots 3 and 10; Block 70-E Lots 185, 241, and 375) in the Fairywood neighborhood of the City of Pittsburgh. Upon completion of the RFP process, the RFP Review Committee recommended the selection of Tryko Partners, who proposed to develop 46 units of affordable senior housing. At the URA Board's February 2021 meeting, the Board extended the previously approved Exclusive Negotiations period and Tryko Partners have since been working through the URA's Disposition Process, as well as with other lenders to meet the September 1, 2022, closing deadline required by PHFA and the 2021 award of 9% Low Income Housing Tax Credits (LIHTC).

The borrower is Cedarwood Homes Holdings, LLC (CHH), a newly formed Limited Liability Company single-purpose entity and the General Partner which was created by Tryko for this project. CHH is comprised of principals from Tryko Partners. Merchants Capital Investments LLC / Merchants Bank shall serve as the Limited Partner Investor and tax credit investor. Tryko Partners is the developer of the site and has a successful history within Fairywood as the owner and operator of the adjacent Emerald Gardens property. They are further supported in this redevelopment by Diamond & Associates, Mistick Construction, and Perfido, Weiskopf Wagstaff + Goettel, who all bring a strong LIHTC background to Cedarwood Homes.

Tryko Partners is seeking an RGP loan in the amount of \$1,412,368 for the new construction of 46 units of affordable senior housing located at the intersection of



Broadhead Fording Rd. and Village Rd. in the Fairywood neighborhood of the City of Pittsburgh. The property itself has remained vacant for over a decade since the demolition of the former Fairywood School, and the new development will take place in the form of 11 buildings with an innovative quad design and one duplex building with private ground-level entrances for each unit. All units will feature one-bedroom/one-bathroom with approximately 770 square feet and are expected to have varying levels of affordability including: five (5) units at or below 20% Area Median Income (AMI), 19 units at or below 50% AMI, 15 units at or below 60% AMI, and 7 market rate units. The affordability of these units will be further supported by 24 Section 8 Project-Based Vouchers (PBVs) provided by the Housing Authority of the City of Pittsburgh (HACP). Construction is anticipated to begin August 2022, lasting 12 months and ending in July 2023.

Authority Financing for Review: \$1,412,368 Rental Gap Program (RGP) loan sourced with HOME 2021, contingent upon the borrower successfully closing the gap with additional tax credits from PHFA or other external financing. A waiver of program guidelines is requested, as the proposed RGP loan exceeds the \$1,250,000 maximum as presented in the program guidelines.

Collateral: Recording of an Open-End Mortgage and Security Agreement in third lien position and a Declaration of Restrictive Covenants requiring that the units remain affordable at the proposed Area Median Income levels for a period of 40 years, matching PHFA’s affordability requirements.

Required Approvals: Real Estate Loan Review Committee (5/4/22); URA Board of Directors

Program Sources: HOME 2021

MWBE: MWBE Narrative and Total Cost Calculator approved; Final MWBE Plan must be submitted, reviewed, and approved prior to closing.

Commitment Expiration Date: September 12, 2022

Sources of Funds	
Permanent Financing – 1 st Lien (PHFA Affordable Taxable Mortgage Program)	\$1,557,511
Permanent Financing – 2 nd Lien (HACP Gap Financing Loan)	\$1,620,000
Permanent Financing – 3 rd Lien (URA Rental Gap Program)	\$1,412,368
9% LIHTC Equity	\$11,534,004
Additional 9% LIHTC Equity Requested from PHFA	\$576,700
Energy Rebate	\$6,214
Total Project Financing	\$16,706,797

Uses of Funds	
Acquisition	\$501,169
Construction Hard Costs	\$12,113,697
Fees	\$915,245
Miscellaneous Development Expenses	\$270,523
Construction & Permanent Loan Financing Charges	\$392,426
Reserves & Developer Fee	\$2,058,188
Syndication Fees & Expenses	\$455,549
Total Project Uses	\$16,706,797



**Regular Board Meeting
May 2022
DISCLOSURE AGENDA**

1. Agreements/Amendments

- a. Amendment of the Pittsburgh Business Fund guidelines
- b. Amendment of the Home Accessibility Program for Independence guidelines
- c. Authorization to issue a Request for Information (RFI) for third party professional advisory services in support of the URA's tax diversion portfolio.
- d. Authorization to make a grant application to the Pennsylvania Department of Community and Economic Development (DCED) for American Rescue Plan Act (ARPA) funds.
- e. Authorization to execute Amendments to the URA Employee Retirement plan, effective June 1, 2022.

2. Acquisitions

- a. Larimer - Sixth Mount Zion Baptist Church Learning Center
 - i. Acquisition of the following publicly owned property for \$1.00 plus costs using Leased Land funds:

<u>Ward</u>	<u>Block/Lot</u>	<u>Address</u>
12	125-C-46	639 Lincoln Avenue

- b. Upper Hill - R. Kyndall Residential Development
 - i. Acquisition of the following publicly owned property for \$1.00 plus costs using Leased Land funds:

<u>Ward</u>	<u>Block/Lot</u>	<u>Address</u>
5	26-N-16-A	0 Wichita Way
5	26-N-17	3348 Milwaukee Street

- c. East Hills – Rising Tide Rehabilitation
 - i. Acquisition of the following publicly owned property for \$1.00 plus costs using Leased Land funds:

<u>Ward</u>	<u>Block/Lot</u>	<u>Address</u>
13	231-L-134	2545 East Hills Drive
13	231-L-190	2514 Park Hill Drive
13	231-L-222	2508 Park Hill Drive

- d. Elliott – James Del Greco Residential Development
 - i. Acquisition of the following publicly owned property for \$1.00 plus costs using Leased Land funds:

<u>Ward</u>	<u>Block/Lot</u>	<u>Address</u>
20	19-G-2	0 Herschel Street
20	19-G-7	0 Herschel Street
20	19-G-56	0 Herschel Street
20	19-G-131	0 Weston Way
20	19-G-206	0 Harker Street
20	20-M-77	922 Elkton Street
20	20-M-78	920 Elkton Street
20	20-M-79	0 Elkton Street
20	20-M-112	915 Elkton Street
20	20-S-46	0 Fairview Avenue



e. Perry South – Kennedy Avenue Residential Rehab

i. Acquisition of the following publicly owned property for \$1.00 plus costs using Leased Land funds:

<u>Ward</u>	<u>Block/Lot</u>	<u>Address</u>
26	77-N-103	243 Kennedy Avenue
26	77-N-104	247 Kennedy Avenue

f. Larimer – Habitat for Humanity – Infill Residential Development

i. Acquisition of the following publicly owned property for \$1.00 plus costs using Leased Land funds:

<u>Ward</u>	<u>Block/Lot</u>	<u>Address</u>
12	124-N-281	0 Meadow Street
12	124-N-182	0 Meadow Street
12	124-N-283	0 Meadow Street
12	125-B-281	0 Lincoln Avenue
12	125-B-283	0 Lincoln Avenue

3. Certificates of Completion

- a. Certificate of Completion for Carlotta K. Burgess for Block 48-S, Lot 218 (subsequently consolidated into the parcel now known as Block 48-S, Lot 220), in the 6th Ward (commercial side yard - 3413 Butler Street).
- b. Ratification of Certificate of Completion for Manchester Row House Renaissance, LLC, for Block 22-K, Lots 132 and 134-A, in the 21st Ward (residential rehab - 1430 Rush Street).
- c. Certificate of Completion for Renaissance Housing FP II, L.P., for Block 23-K, Lot 58, in the 22nd Ward (residential rehab - 308-332 N. Taylor Avenue).



Appendix – May 2022 Resolutions

5. AVENUES OF HOPE

Item 5(a)

RESOLUTION NO. _____ (2022)

RESOLVED: That a loan with Salem’s Market Centre Avenue, LLC to support reopening of a grocery store, restaurant, and agricultural processor in the Hill District neighborhood of the city for an amount of up to \$1,370,000, payable from the Pittsburgh Business Fund is hereby approved, and the Executive Director, Deputy Executive Director, Chief Strategy Officer, Chief Lending & Solutions Officer and/or the Chief Financial Officer, on behalf of the Authority, is hereby authorized to execute a loan 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 Pittsburgh Business Fund guidelines to extend the \$500,000 guideline funding limit is hereby approved.

Item 5(b)

RESOLUTION NO. _____ (2022)

RESOLVED: That exclusive negotiations with North Homewood Avenue – McCormack Baron Salazar or a related entity for the sale of Block 174-N, Lots 190, 192, 194, 198, 296, 298 in the 13th Ward, through December 31, 2022, with an automatic extension to mirror Pennsylvania Housing Finance Agency’s (PHFA) closing deadline contingent on the receipt of a 9% LIHTC allocation is hereby approved.

RESOLUTION NO. _____ (2022)

RESOLVED: That exclusive negotiations with 4800 Second Avenue – The Community Builders, Inc., or a related entity for the sale of Block 56-F, Lots 96, 99, 100, 101, 103, 104, 106, 107, 108, 109, and 110, in the 15th Ward, through December 31, 2022, with an automatic extension to mirror Pennsylvania Housing Finance Agency’s (PHFA) closing deadline contingent on the receipt of a 9% LIHTC allocation is hereby approved.

RESOLUTION NO. _____ (2022)

RESOLVED: That exclusive negotiations with Bedford Dwellings Phase I – TREK Development, or a related entity for the sale of Block 11-E, Lots 297-B, 298, 298-A, 299, 300-A, 300-B, 301, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 318, 319 and Block 11-A, Lots 35, 36, 37, 38, 40, 41, 42, 43, 44, 46, 47, 48, 151 in the 3rd Ward, through December 31, 2022, with an automatic extension to mirror Pennsylvania Housing Finance Agency’s (PHFA) closing deadline contingent on the receipt of a 9% LIHTC allocation is hereby approved.

RESOLUTION NO. _____ (2022)

RESOLVED: That exclusive negotiations with Legacy Village – Legacy Village LLC, or a related entity for the sale of Block 46-J, Lots 221, 220, 219, 212, 210, 209, 334, 336, 337, 339, 341, 343, 345 and Block 46-N, Lots 46-N, 230, 231, 232, 233, 234, 235 in 25th and 26th Wards, through December 31, 2022, with an automatic extension to mirror Pennsylvania Housing Finance Agency’s (PHFA) closing deadline contingent on the receipt of a 9% LIHTC allocation is hereby approved.

6. RESIDENTIAL LENDING & INVESTMENTS

Item 6(a)

RESOLUTION NO. _____ (2022)

RESOLVED: That a grant with Oakland Planning and Development Corporation (OPDC) in the amount of up to \$325,000 payable from the For Sale Development Program (FSDP) program is hereby approved, and the Executive Director, Deputy Executive Director, Chief Strategy Officer, Chief Lending & Solutions Officer and/or the Chief Financial Officer, on behalf of the Authority, is hereby authorized to execute a grant agreement, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.



Item 6(b)

RESOLUTION NO. _____ (2022)

RESOLVED: That a loan with Laurentian Hall Associates, Inc., in an amount of up to \$350,000, payable from the Housing Opportunity Fund (HOF) Rental Gap Program is hereby approved, and the Executive Director, Deputy Executive Director, Chief Strategy Officer, Chief Lending & Solutions Officer and/or the 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.

Item 6(c)

RESOLUTION NO. _____ (2022)

RESOLVED: That a loan with Munhall Rd Apartments, Inc., in an amount of up to \$250,000, payable from the Housing Opportunity Fund (HOF) Rental Gap Program is hereby approved, and the Executive Director, Deputy Executive Director, Chief Strategy Officer, Chief Lending & Solutions Officer and/or the 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.

Item 6(d)

RESOLUTION NO. _____ (2022)

RESOLVED: That a grant with the City of Bridges Community Land Trust , for an amount of up to \$450,000, payable from the For Sale Development Program (FSDP) is hereby approved, and the Executive Director, Deputy Executive Director, Chief Strategy Officer, Chief Lending & Solutions Officer and/or the Chief Financial Officer, 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 (FSDP) guidelines to exceed the maximum per unit subsidy of \$100,000 is hereby approved.

7. DEVELOPMENT SERVICES

Item 7(a)

RESOLUTION NO. _____ (2022)

RESOLVED: That an agreement with Frank J. Zottola Construction, Inc. for site preparation construction services, in an amount of up to \$5,686,800, payable from ARPA, DCED TRID Grant, ELTRIDRA Phase 1, PennDOT Multi-Modal Grant, 2015 Paygo – East Liberty, ELTRIDRA Accrued Interest, and Capital Budget Request is hereby approved, and the Executive Director, Deputy Executive Director, Chief Strategy Officer, Chief Lending & Solutions Officer and/or the Chief Financial Officer, on behalf of the Authority, is hereby authorized to execute a loan agreement therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

Item 7(b)

RESOLUTION NO. _____ (2022)

RESOLVED: That the Redevelopment Proposal submitted by Cedarwood Homes Holdings, LLC, for the sale of Block 70-A, Lots 3 and 10, and Block 70-E, Lots 185, 241, and 375 in the 28th Ward for \$434,900, and execution of a disposition contract by sale to Cedarwood Homes Holdings, LLC , are hereby approved, and the Executive Director, Deputy Executive Director, Chief Strategy Officer, Chief Lending & Solutions Officer and/or the Chief Financial Officer, on behalf of the Authority, is hereby authorized to execute said disposition contract and related documents to effectuate said sale, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.



Item 7(b) [continued]

RESOLUTION NO. _____ (2022)

RESOLVED: That a loan with Cedarwood Homes Holdings, LLC for the new construction of forty-six (46) single-story townhomes of senior housing, in an amount of up to \$1,412,368, payable from the Housing Opportunity Fund (HOF) Rental Gap Program is hereby approved, and the Executive Director, Deputy Executive Director, Chief Strategy Officer, Chief Lending & Solutions Officer and/or the 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; and it is

RESOLVED FURTHER: That a waiver of the Housing Opportunity Fund (HOF) Rental Gap Program guidelines to provide an RGP loan above the stated \$1,250,000 maximum amount is hereby approved.

