

URA Board Agenda



Date/Time: Thursday, June 9, 2022 at 2:00 PM

Web Access: <https://us06web.zoom.us/j/86717493874>

Dial In: 1 (929) 205-6099

Webinar ID: 867 1749 3874

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 - ii. Proposal and form of contract for the sale of Block 9-R, Lots 163, 164, 165, & 166 in the 3rd Ward to Letsche LLC, or a related entity, for \$30,000 plus costs.

- **Development Services**

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Director's Report

To: URA Board of Directors

From: Evan Miller, Acting Director of Housing Lending

Cc: Greg Flisram, Executive Director

Date: June 9, 2022

Re: Agenda Item 4(a): Avenues of Hope – Residential Lending & Investments

4(a) Centre Avenue – Former Letsche Elementary School Building

- i. Authorization to enter into a Rental Gap Program loan agreement with the borrower, Letsche LLC, in the amount of up to \$953,650 for the rehabilitation of the former Letsche Elementary School and the new construction of four (4) townhomes.
- ii. Proposal and form of contract for the sale of Block 9-R, Lots 163, 164, 165, & 166 in the 3rd Ward to Letsche LLC, or a related entity, for \$30,000 plus costs.

Authorization Details

Authorization is requested to enter into a Rental Gap Program (RGP) loan agreement with the borrower, Letsche LLC, in the amount of up to \$953,650 for the rehabilitation of the former Letsche Elementary School and the new construction of four (4) townhomes, and to accept a proposal and form of contract for the sale of Block 9-R, Lots 163, 164, 165, & 166 in the 3rd Ward to Letsche LLC., or a related entity, for \$30,000 plus costs.

The Letsche School project, named after the former Letsche Elementary School in the Hill District's Crawford-Roberts neighborhood, is a redevelopment project that repurposes the former Letsche School site that has been vacant for approximately 15 years, as well as five (5) additional vacant parcels into housing, an urban garden, and a tot lot playground area. Due to the school's historical value, the developer, Beacon Communities Services, is to redevelop the building into a 42-unit mixed-income apartment building with accompanying community space as well as the construction of four (4) new townhomes on the adjacent vacant parcels.

Thirty-four (34) of these units will have rents set at affordable rates; 10 units will be for tenants with incomes at or below 60% Area Median Income (AMI), 19 units will be for tenants with incomes at or below 50% AMI, and five (5) units will be for tenants with incomes at or below 20% AMI. The remaining eight (8) units will be market-rate. The empty plot of land adjacent to the school will be transformed into the urban garden and tot lot. In addition to these units, the developer intends to construct four (4) new townhomes on an empty plot of land that sits opposite the school, facing Cliff Street. All townhomes will have rents set at affordable rates.

The project has received an award in the amount of \$1,250,000 in 9% Low Income Housing Tax Credits (LIHTC) from Pennsylvania Housing Finance Agency (PHFA), which will generate an anticipated LIHTC Equity amount of \$11,871,438. Federal Historic Tax Credits are also being sought and are expected to generate \$2,387,868. First mortgage financing is being sought through PHFA in the amount of \$1,062,512. Gap financing in the amount of \$2,250,000 and Project Based Voucher assistance for 25 units have also been requested under a Housing Authority of the City of Pittsburgh (HACP) Request for Proposals (RFP) submitted on April 26, 2022.

The developer has approached the URA requesting additional gap financing through the RGP. This would be a 3rd Mortgage Loan in the amount of \$953,650 repaid based on agreed upon percentage of project cash flow.



The project is scheduled to close in the 4th quarter of 2022 with construction to start immediately. The construction period is 14 months and scheduled to be completed during the 4th quarter of 2023.

Development Sources

Sources of Funds	
Permanent Financing – PHFA 1 st Lien	\$1,062,512
Equity (LIHTC)	\$11,871,438
Equity (HTC)	\$2,387,868
Deferred Development Fee	\$433,247
HACP Amortizing Loan – 2 nd Lien	\$850,000
HACP Cash Flow Loan – 4 th Lien	\$1,400,000
RGP Amortizing Loan (Pending) – 3 rd Lien	\$350,000
RGP Cash Flow Loan (Pending) – 5 th Lien	\$603,650
Total Project Financing	\$18,958,715

Uses of Funds	
Acquisition	\$993,225
Hard Costs	\$13,592,099
Fees	\$1,022,640
Miscellaneous Development Expenses	\$246,500
Construction & Permanent Loan Financing Charges	\$630,705
Reserves	\$576,707
Developer Fee	\$1,500,000
Syndication Fee and Expenses	\$396,839
Total Project Uses	\$18,958,715



Director's Report

To: URA Board of Directors
From: Jennifer Wilhelm, Chief Lending & Solutions Officer
Cc: Greg Flisram, Executive Director
Date: June 9, 2022
Re: Agenda Item 4(b): Avenues of Hope – Development Services

4(b) Centre Avenue – Herron & Wylie (Communion Place)

- i. Proposal and form of contract for the sale of Block 27-A, Lots 125 and 126, in the 5th Ward to Communion LLC, or a related entity, for \$14,500 plus costs.

Authorization Details

Authorization is requested to accept the Redevelopment Proposal and enter into a disposition contract with Communion LLC, or a related entity, for their Centre Avenue Development “Herron & Wylie.” Communion’s Centre Avenue Request for Qualifications (RFQ) response includes two (2) parcels that are located on the property fronting the intersection of Herron and Wylie Avenues. One (1) parcel is vacant land, and one (1) parcel contains a vacant structure that will be rehabilitated. Combined, the parcels are approximately 2,465 square feet.

In July 2019, the URA released an RFQ seeking multiple developers to purchase and redevelop any portion of 170 publicly owned parcels along the Centre Avenue Corridor in the Middle Hill neighborhood. The goal of the RFQ was to select developers to work to implement uses and further concepts articulated by the community as described in the 2015 Centre Avenue Corridor Redevelopment and Design Plan and the 2011 Greater Hill District Master Plan. Central to the plan are the following priorities:

- Creating opportunities for minority and local developers
- Revitalizing Centre Avenue as the neighborhood’s primary retail, institutional, and cultural node as well as a strong residential neighborhood
- Building upon the African American cultural legacy
- Creating family-friendly housing without displacement
- Fostering economic empowerment
- Producing comprehensive sustainability and quality design.

At its February 2020 Regular Board Meeting, the URA authorized a period of Exclusive Negotiations for Communion LLC’s project Herron & Wylie. The Herron & Wylie redevelopment includes the construction of a 2,803 square foot building and the rehabilitation of an existing three-story structure that, upon completion, will include three (3) first floor offices and collaborative space. Communion, LLC will serve as the offices’ anchor tenant, with the remaining office space rented out at an affordable commercial rent rate. Above, a residential area will include six (6) one-bedroom units of 550-750 square feet each, and two (2) two-bedroom units of 900 square feet each. Of the eight (8) total units, at least 50% of the units will be affordable to tenants at 60%-80% AMI. Total development costs are estimated at \$3,106,186.

The MWBE Program Officer has received and reviewed an MWBE narrative for this project.



Prior to the sale of this property, the proposed development will again be presented to the URA Board for approval of final working drawings and evidence of financing and for authorization to execute the deed. Further, such final approvals will not include authorization to begin construction or authorization to begin construction on infrastructure improvements unless designs have been sufficiently vetted with community stakeholders and URA staff.

In partnership with Council District 6, the URA held a community meeting on November 14, 2020, to present the Centre Avenue Round 1 RFQ proposals for the community input. Community stakeholders scored each project presented, on:

- The project's concept
- Community benefit
- Alignment with the Greater Hill District Master Plan and the Centre Avenue Corridor Design Plan.

Lakeisha Byrd presented her proposal during the community meeting and received an approval score of 100% for the project concept. Responses received from the community highlighted the importance of a live-work space and the potential for future development on Herron Ave.

Communion LLC is a limited liability company with a mailing address of 2144 Wylie Avenue, Fl 3, Pittsburgh, PA 15219. Lakeisha Byrd is the Owner.



Director's Report

To: URA Board of Directors

From: Jennifer Wilhelm, Chief Lending & Solutions Officer

Cc: Greg Flisram, Executive Director

Date: June 9, 2022

Re: Agenda Item 4(c): Avenues of Hope – Development Services

4(c) Larimer – Urban Academy of Greater Pittsburgh

- i. Revised proposal and authorization to amend and restate the disposition contract with the Urban Academy of Greater Pittsburgh Charter School for the sale of Block 125-B, Lot 116-1, in the 12th Ward for \$1.00 plus costs.

Authorization Details

Authorization is requested to approve the revised proposal package and amend the disposition contract for the sale of Block 125-B, Lot 116-1, in the 12th Ward to Urban Academy of Greater Pittsburgh Charter School (“Urban Academy”) for \$1.00 plus costs. This City-owned parcel is in the process of being transferred to the URA, and eventual conveyance to Urban Academy will be contingent on successful completion of that transfer. Located at the northeast corner of Meadow Street and Xenia Way, the parcel contains approximately 11,291 square feet.

Background

URA Board Resolution 365 (December 10, 2020) authorized acceptance of the redevelopment proposal package and execution of a disposition contract for sale of the parcel for Urban Academy to expand its footprint by creating a green space to enrich academic, social, and emotional learning opportunities for its students and as an attractive, nurturing space for the Larimer community. The campus green was planned to include the property that is the subject of this authorization along with an adjoining 5,303-square-foot parcel at the northwest corner of Meadow and Turrett Streets that Urban Academy is acquiring directly from the City.

Realizing that the new development would eliminate much needed off-street parking for faculty and visitors, Urban Academy would like to amend the design to include portions of an adjacent parking lot to increase off-street parking which is currently very difficult to find in the community. The amended design would offer approximately 6,634 square feet of parking space and approximately 8,874 square feet of greenspace.

Total project costs are budgeted at approximately \$500,000 to be funded entirely by redeveloper equity.

Authorization is contingent on approval of MWBE and MWI Narratives for this project by the MWBE Program Officer.

Urban Academy of Greater Pittsburgh Charter School is a Pennsylvania nonprofit organization with a mailing address at 437 Turrett Street, Pittsburgh, PA 15206. K. Chase Patterson is Chief Executive Officer.



**Regular Board Meeting
June 2022
DISCLOSURES AGENDA**

1. Agreements/Amendments

- a. Authorization to provide an internal bridge loan to the URA up to \$500,000 for the completion of Station Euclid - Penn Circle project, with funding sourced from the Pittsburgh Development Fund and/or Commercial Loan Repayment Account (CLRA), and with repayment sourced from ELTRIDRA cash flow repayments to URA pooled investment loan.
- b. Authorization to approve of Rae Ann Driscoll, a URA Employee, to receive a Down Payment Closing Cost Assistance Deferred Loan.
- c. Authorization for a Driveway easement agreement in favor of Cynthia Ann and Richard M. Henderson (owners of 264 Glass Run Road, Block 92-H, Lot 120, in the 31st Ward [Hays]) for Block 31-G, Lot 200, in the 31st Ward.
- d. Amendment of Resolution 41 (2022), authorizing the Urban Redevelopment Authority of Pittsburgh to apply for funding from the Department of Community and Economic Development (DCED) Statewide Local Share Account program on behalf of the nonprofit project leads, in an amount not to exceed \$1,000,000 per project. Resolution 41 (2022) is hereby amended to identify the nonprofit subgrantee leads and project-specific request amounts.
 - i. Veterans Place of Washington Boulevard – \$500,000
- e. East Hills – Prestigious Hills
 - i. Authorization to amend Resolutions 261 (2021) and 33 (2022) to change appointed bond counsel from Clark Hill PLC to Denton Cohen & Grigsby, P.C. with respect to the issuance of the Bonds.
 - ii. Authorization to amend Resolution 261 (2021) and 33 (2022) to permit the issuance of the Bonds for Prestigious Hills (f/k/a Second East Hills) in either a public offering or a private placement with one or more financial institutions.
- f. Bluff – 23 Miltenberger Mixed-Use Redevelopment
 - i. Authorization to extend exclusive negotiations with Epic Development, LLC, for the sale of the following publicly owned properties, for a period of six (6) months:

<u>Ward</u>	<u>Block/Lot</u>	<u>Address</u>	<u>Current Owner</u>
1	11-J-95	0 Forbes Avenue	URA
1	11-J-96	23 Miltenberger Street	URA
1	11-J-101	0 Forbes Avenue	URA

2. Certificates of Completion

- a. Ratification of Certificate of Completion for Manchester Row House Renaissance, LLC, for Block 22-K, Lots 34, 38, 39, and 136; and Block 22-L, Lots 289 and 298-B, in the 21st Ward (residential rehab – Lake Street, Fulton Street, Rush Street, and Warlo Street).
- b. Certificate of Completion for Pittsburgh Housing Development Corporation for Block 27-B, Lot 72 (subsequently consolidated into the parcel now known as Block 27-B, Lot 74), in the 5th Ward (residential side yard – 800 Bryn Mawr Road).

3. Appointments

- a. Authorization of the appointment of Kyle Chintalapalli, Chief Economic Development Officer, City of Pittsburgh, and Damara Carter, Controller, URA, to the Pittsburgh Urban Initiatives Governing Board for three-year terms.



4. Side Yard Sale

- a. Proposal, form of contract, final drawings, final evidence of financing, and authorization to execute a deed to Katie Holler for the sale of Block 50-F, Lot 148, in the 10th Ward for \$11,200 plus costs (Rosetta Street – side yard sale)
- b. Proposal and form of contract for the sale of Block 175-C, Lot 308, in the 13th Ward to One Call Handles All Landscaping and Trucking LLC for \$2,000 plus costs (Hale Street playground – Homewood).

5. Dispositions

- a. Recission of Resolution 433 (2020) – Conveyance, for consideration of \$1.00, of Lot 6 in the H. J. Heinz Company Plan (Block 24-H, Lot 138, in the 24th Ward) to Jeff C. Kumer pursuant to the exercise of his November 12, 2001, option to purchase.
- b. Conveyance, for consideration of \$1.00, of Lot 6 in the H. J. Heinz Company Plan (Block 24-H, Lot 138, in the 24th Ward) to 1800 River Parcel, LLC, a Delaware limited liability company, pursuant to the exercise of November 12, 2001, option to purchase.



Appendix – June 2022 Resolutions

4. AVENUES OF HOPE

Item 4(a)

RESOLUTION NO. _____ (2022)

RESOLVED: That a loan with Letsche LLC for the rehabilitation of the former Letsche Elementary School and the new construction of four townhomes, for an amount of up to \$953,650, payable from the Housing Opportunity Fund 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.

RESOLUTION NO. _____ (2022)

RESOLVED: That the Redevelopment Proposal submitted by Letsche LLC, or a related entity, for the sale of Block 9-R, Lots 163, 164, 165, & 166 in the 3rd Ward, for \$30,000, and execution of a disposition contract by sale to Letsche LLC, or a related entity, 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 4(b)

RESOLUTION NO. _____ (2022)

RESOLVED: That the Redevelopment Proposal submitted by Communion LLC, or a related entity, for the sale of Block 27-A, Lots 125 and 126, in the 5th Ward, for \$14,500, and execution of a disposition contract by sale to Communion LLC, or a related entity, 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 4(c)

RESOLUTION NO. _____ (2022)

RESOLVED: That the amended Redevelopment Proposal submitted by Urban Academy of Greater Pittsburgh Charter School for Block 125-B, Lot 116-1, in the 12th Ward, and execution of a restated disposition contract by sale to Urban Academy of Greater Pittsburgh Charter School for \$1.00 plus costs, 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.

