

# URA Board Agenda



**Date/Time:** Thursday, September 8, 2022, at 2:00 PM

**Web Access:** <https://us06web.zoom.us/j/81373222685>

**Dial In:** 1 (929) 205-6099

**Webinar ID:** 813 7322 2685

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#### • Development Services

- a. Larimer Avenue – Steel City Squash
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  - i. Presentation of draft guidelines for the OwnPGH Program.

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- b. South Oakland – 925 Technology Drive Parking Garage at Pittsburgh Technology Center (p. 6)
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# Director's Report

**To:** URA Board of Directors  
**From:** Jennifer Wilhelm, Chief Operating Officer  
**Cc:** Greg Flisram, Executive Director  
**Date:** September 8, 2022  
**Re:** Agenda Item 5(a): Avenues of Hope – Development Services

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## 5(a) Larimer Avenue – Steel City Squash

- i. Final evidence of financing, final drawings, and authorization to execute a deed for the sale of Block 124-K, Lots 65, 66, 68, 69, 71, 72, 73, 74, 75, 76, 77, 78, 78-A, 78-B, 123, 123-A, 124, 127, 128, 129, 130, 131, 132, 133, 147, and 149, in the 12<sup>th</sup> Ward, to Steel City Squash, or a related entity, for \$122,000 plus costs.

### Authorization Details

Authorization is requested to accept final evidence of financing, final drawings, and to execute a deed with Steel City Squash (“SCS”), or a related entity, for the sale of Block 124-K, Lots 65, 66, 68, 69, 71, 72, 73, 74, 75, 76, 77, 78, 78-A, 78-B, 123, 123-A, 124, 127, 128, 129, 130, 131, 132, 133, 147, and 149, in the 12<sup>th</sup> Ward, for \$122,000 plus costs. SCS plans to construct a new recreation and education facility of approximately 19,242 square feet.

### Background

Steel City Squash is a 501(c)3 nonprofit launched in 2015 to provide programming for Pittsburgh youth focused on education, mentoring, community service, travel, and the sport of squash. Steel City Squash is planning to purchase the forementioned 25 parcels to develop a new facility that includes squash courts, classrooms, exercise equipment, and meeting space for the community. The 25 parcels total approximately 47,307 square feet. The URA is in process of acquiring the properties from the City of Pittsburgh.

At the August 12, 2021, meeting, the URA Board of Directors approved Steel City Squash’s proposal and authorized form of contract for the sale of the forementioned 25 parcels. Since then, Steel City Squash has finalized drawings and financed the remainder of their project, with October 7, 2022, penciled as the projected closing date.

### Conditions

The total development cost is \$9,901,972. The funding and financing strategy includes various grants, Redevelopment Assistance Capital Program (RACP), private financing, and a capital campaign.

URA financing includes the recent approval of an Avenues of Hope Commercial Real Estate (ACRE) program loan in the amount of \$200,000. Principal and all accrued interest will be due in 20 years or upon the sale of the property. The loan will be secured with a mortgage on the various lots being purchased.

Designs have been thoroughly vetted by URA staff and reviewed and commented on by the Larimer Consensus Group. The MWBE Program Officer has reviewed and approved an MWBE cost calculator as well as MWBE and MWI Narratives for this project.

Steel City Squash is a nonprofit with a mailing address of 140 Trees Hall, Pittsburgh, PA, 15261. Brad Young is the Executive Director.



# Director's Report

**To:** URA Board of Directors  
**From:** Evan Miller, Acting Director, Residential Lending & Investments  
**Cc:** Greg Flisram, Executive Director  
**Date:** September 8, 2022  
**Re:** Agenda Item 6(a): Residential Lending & Investments

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## 6(a) OwnPGH Program

- i. Presentation of draft guidelines for the OwnPGH Program.

### Authorization Details

As housing prices continue to climb, the URA has identified a significant need to expand access to homeownership for homebuyers at or below 80% of the Area Median Income (AMI) within the City of Pittsburgh. In the Pittsburgh Metropolitan Statistical Area, 80% of AMI is defined as:

Household Size	80% of AMI (Annual)
1	\$53,100
2	\$60,700
3	\$68,300
4	\$75,850

Household Size	80% of AMI (Annual)
5	\$81,950
6	\$88,000
7	\$94,100
8	\$100,000

Currently, the URA can only provide deferred financing on behalf of homebuyers purchasing units that are constructed/rehabbed through URA housing development programs. OwnPGH is an effort to cast a wider net and create a direct-to-consumer homebuying tool to increase affordable homeownership opportunities for households at or below the income thresholds listed above. Made possible by a \$15 million American Rescue Plan Act (APRA) fund allocation from the City of Pittsburgh, and in partnership with the Housing Authority of the City of Pittsburgh (HACP) and local lenders, OwnPGH will provide grants and deferred second mortgage financing to help make homeownership more attainable. The end goal of the deferred financing provided on behalf of the homebuyer is to lower the amount of the purchase price that must be financed in the form of a traditional first-mortgage loan from a lending institution. To qualify, homebuyers must: 1) Be a first-time homebuyer; and 2) must earn 80% of AMI or less (based on household size).

OwnPGH will provide up to \$90,000 in combined grant and second-mortgage assistance to eligible homebuyers, including:

- Grants of up to \$50,000 per eligible homebuyer/household from the URA, and
- Second deferred mortgage of up to \$40,000 through the HACP.

HACP's second deferred mortgage product requires no regular payment from the borrower, carries a 0% interest rate, and is forgiven at a rate of 10% of the original balance per year. Homebuyers who remain in homes purchased through OwnPGH for at least 10 years will have their second deferred mortgages fully forgiven.

To ensure OwnPGH contributes to lasting affordability, properties purchased through the program will be subject to a 30-year affordability restriction from the date of purchase. During this period, homeowners will be required to resell homes purchased through OwnPGH to another buyer or household at or below 80% AMI. The URA intends to provide ongoing stewardship services to OwnPGH participants, ensuring that they are aware of the affordability covenants and consistently providing information and resources on how to initiate the sale of their home in compliance with the program, should the owner be prepared to do so.

Once final guidelines for the program have been approved and the ARPA funding agreement is finalized with the City, URA staff will be prepared to launch the program.



# Director's Report

**To:** URA Board of Directors  
**From:** Jennifer Wilhelm, Chief Operating Officer  
**Cc:** Greg Flisram, Executive Director  
**Date:** September 8, 2022  
**Re:** Agenda Item 7(a): Development Services

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## 7(a) Central Business District – Skinny/Roberts Buildings

- i. Final evidence of financing, final drawings, and authorization to execute a deed for the sale of Block 1-H, Lots 234 and 235, in the 2<sup>nd</sup> Ward, also known as 241 Forbes Avenue (the “Skinny Building”) and 429-431 Wood Street (the “Roberts Building”), to PNC Bank, National Association (NA), or a related entity, for \$1.3 million plus costs.

### Authorization Details

Authorization is requested to accept final evidence of financing, final drawings, and to execute a deed with PNC Bank, NA (formerly Home Town Real Estate, LLC), or a related entity, for the direct sale of 241 Forbes Avenue (the “Skinny Building”) and 429-431 Wood Street (the “Roberts Building”) for \$1.3 million plus costs. The three-story, 988 square foot Skinny Building will be renovated to host an arts program in the upper floors and pilot incubation spaces for small retail businesses at street level. PNC will renovate the five-story, 13,682 square foot Roberts Building for adaptive reuse as flexible employee office space.

### Background

The URA purchased the Skinny and Roberts Buildings in 2013 to repurpose them for higher and better uses, spur growth and development Downtown, and to preserve the historic Downtown corridor. The buildings are contributing historic structures in the nationally registered Fourth Avenue Historic District and date back to the early 1900s. The Skinny Building comprises narrow display space on the second and third floors and 138 square feet of ground floor retail space. The retail space was leased to a clothing and variety store on a month-to-month basis. The URA has exercised its right to terminate the lease in advance of the pending sale to PNC. The upper floors remain vacant and in need of repair. The first floor of the Roberts Building was most recently under contract as a 3,421 square foot 7-Eleven convenience store but has remained vacant since February 2021 when 7-Eleven’s lease expired.

### Conditions

The URA has entered into a 99-year covenant agreement with PNC to protect the façades and prevent potential future owners from demolishing the buildings. PNC received design approval from the URA and Pittsburgh History & Landmarks Foundation (PHLF) in accordance with prior board authorizations. PNC will use good faith efforts by working directly with PHLF and URA staff to complete the exterior work (including façades) in a manner consistent with URA’s Main Street Façade Guidelines. PNC will install lighting on both buildings to highlight their iconic architectural styles and features.

As a condition to closing, PNC has also executed a Memorandum of Understanding with the Pittsburgh Downtown Partnership to organize a revolving art installation program in the bay windows overlooking Forbes Avenue. The art program is intended to feature the works of artists and students local to the Pittsburgh region. The art will be viewable from the exterior of the building only, and, subject to temporary closures to replace the art or address a building issue, PNC will maintain the art program year-round.

Total development costs are estimated at \$10.5 million, which includes \$5.9 million in direct investment into the buildings. The URA will retain the Air Rights and Transfer of Development Rights.



Designs have been thoroughly vetted by URA staff and reviewed and commented on by the PHLF. The MWBE Program Officer has reviewed and approved an MWBE cost calculator as well as MWBE and MWI Narratives for this project.

PNC Bank, National Association is a company with a mailing address of 300 Fifth Avenue, 22<sup>nd</sup> Floor, Pittsburgh, PA, 15222. John Beggy is Senior Vice President and Director of Transactions, Realty Services.



# Director's Report

**To:** URA Board of Directors  
**From:** Jennifer Wilhelm, Chief Operating Officer  
**Cc:** Greg Flisram, Executive Director  
**Date:** September 8, 2022  
**Re:** Agenda Item 7(b): Development Services

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- 7(b) South Oakland – 925 Technology Drive Parking Garage at Pittsburgh Technology Center (PTC)**
- i. Authorization to approve a \$443,616 change order with Clista Electric, Inc. due to electrical plan changes and the inclusion of a speaker/blue light security system.

## Authorization Details

In October 2021, the URA entered into a \$1,847,000 electrical construction services contract with Clista Electric, Inc, to provide services in support of the construction of the new Pittsburgh Technology Center (PTC) parking garage at 925 Technology Drive. A number of electrical plan changes were received after bid, including the addition of:

- Lighting fixtures throughout the project, including stairwell and elevator pit lighting
- A 100A disconnect switch for the garage's emergency generator
- A digital public address system and system speakers throughout the garage
- Blue light emergency call boxes (as per permit review comments and the parking manager's request)
- Larger Electrical Vehicle charger circuit breakers (50A vs. 40A as per electrical permit comments)

These plan changes led Clista Electric to issue the following change orders:

- |  |            |
|--|------------|
| 1. Change order #1: Temporary Lighting of Staging Area | \$ 9,134   |
| 2. Change order #2: Electrical Design Omissions        | \$ 443,616 |

Because the total cost of change order #1 did not exceed 10% of the total original contracted amount, it did not require Board approval to advance, and work has since been completed. However, the total cost of change order #2 does exceed 10% of the total original contracted amount and must therefore receive Board authorization to advance. Change orders #1 and #2 have a combined total of \$ 452,750, and increase the overall contracted amount by 24.51%, or to \$2,299,750.

If authorized by the Board, change orders for the 925 Technology Drive Parking Garage will be funded via the Pittsburgh Development Fund.



# Director's Report

**To:** URA Board of Directors  
**From:** Tom Link, Chief Strategy Officer  
**Cc:** Greg Flisram, Executive Director  
**Date:** September 8, 2022  
**Re:** Agenda Item 8(a): Business Solutions

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## **8(a) Pittsburgh Downtown Pilot Commercial Real Estate Conversion Program**

- i. Presentation of draft guidelines for the Pittsburgh Downtown Pilot Commercial Real Estate Conversion Program.

### **Authorization Details**

The Pittsburgh Downtown Pilot Commercial Real Estate Conversion Program (PDCP) is intended to stimulate the economic recovery of Downtown Pittsburgh by supporting the creation of much needed, diverse, and affordable new housing via the conversion of fallow, underutilized office buildings. PDCP endeavors to diversify Downtown Pittsburgh's housing stock, support the commercial office market through the reduction of underutilized commercial office inventory, attract new residents, and improve the overall health and vitality of Downtown Pittsburgh.

To accomplish these goals, PDCP will provide direct financing for building owners and developers who intend to convert vacant and/or underutilized Downtown buildings to affordable workforce housing.

Proposed features of the program include:

- The establishment of minimum affordability thresholds developers/building owners must meet to be eligible for PDCP funds
- Maintenance of 40-year affordability restrictions for all PDCP-funded projects
- Mandatory compliance with URA MWBE policy, Federal Davis/Bacan wage rate, and American Rescue Plan Act (ARPA) requirements

The PDCP will utilize a combination of Pennsylvania ARPA funds, City of Pittsburgh ARPA funds, and URA funds dedicated to Downtown development.

Once final guidelines for the program have been approved and an ARPA funding agreement is finalized with the City of Pittsburgh, URA staff will be prepared to launch the program.



**Regular Board Meeting  
September 8, 2022  
DISCLOSURES AGENDA**

**1. Agreements/Amendments**

- a. Stevens Elementary School Redevelopment Assistance Capital Program
  - i. Authorization to amend previously approved resolutions 373, 374, and 375 (2018) to file an application; enter into a Contract with the State Budget Office for Redevelopment Assistance Capital Program (RACP) grants to increase the grant amount for the Stevens Elementary School Redevelopment from \$1 million to \$1.5 million; enter into a Sub-grant Agreement; enter into a Cooperation Agreement with the City of Pittsburgh; and contract for an administrative fee.
  - ii. Authorization to rescind previously approved resolution 334 (2019) which, due to a clerical error, incorrectly listed the grant amount received for the Stevens Elementary School Redevelopment as \$2.5 million.
- b. Authorization to approve an up to \$252,000 contract with the Bloomfield-Garfield Corporation for program administration services for the Homeowner Assistance Program (HAP) funded by Housing Opportunity Fund (HOF) HAP funds.
- c. Authorization to approve a contract amendment for the Hilltop Alliance’s program administration contract for the Homeowner Assistance Program to increase the contract amount from \$1.1 million to \$1.6 million funded by HOF HAP funds.
- d. Authorization to amend program guidelines for the Housing Stabilization Program to reflect: 1) an increase in assistance available per household from \$3,000 to \$6,000; 2) an increase in the number of consecutive months for which an applicant can receive assistance from three (3) months to six (6) months; and 3) a reduction in the timeframe required between applications from the same household from five (5) years to three (3) years.
- e. Ratification of an application to the Pennsylvania Department of Community & Economic Development’s Keystone Communities Program and, in the event of an award, authorizing the Executive Director, Deputy Executive Director and/or Director of Finance to enter into a grant agreement in an amount not to exceed \$300,000 for the Housing Accessibility Program for Independence (HAPI) program.

**2. Acquisitions**

- a. Hazelwood – Rising Tide
  - 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>
15	56-F-176	201 Glen Caladh Street

- b. Perry South – Legacy Village Low Income Housing Tax Credit (LIHTC) Application
  - 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	46-J-209	0 Wilson Avenue
26	46-J-210	0 Wilson Avenue
26	46-J-212	0 Wilson Avenue
26	46-J-219	0 Wilson Avenue
26	46-J-220	0 Wilson Avenue
26	46-J-337	0 Wilson Avenue
26	46-J-341	0 Wilson Avenue
26	46-N-230	0 Wilson Avenue
25	46-N-231	0 Wilson Avenue
25	46-N-232	0 Wilson Avenue
25	46-N-234	0 Wilson Avenue
25	46-N-235	0 Wilson Avenue



### **3. Certificates of Completion**

- a. Ratification of Certificate of Completion for Port of Pittsburgh Commission for Block 29-B, Lot 301, in the 4<sup>th</sup> Ward (Commercial Development – 450 Technology Drive)
- b. Certificate of Completion for Light of Life Ministries, Inc., for Block 9-A, Lots 183 and 191, in the 23<sup>rd</sup> Ward (Homeless Shelter – 234 Voegtly Street and Parking – Madison Street)

### **4. Appointments**

- a. Appointment of Anthony Basilone, Vice President of Commercial Lending at M&T Bank, to the URA's Real Estate Loan Review Committee.



# Appendix – September 8, 2022 Resolutions

## 5. AVENUES OF HOPE

### Item 5(a)

#### RESOLUTION NO. \_\_\_\_ (2022)

RESOLVED: That the final drawings and evidence of financing submitted by Steel City Squash, for the sale of Block 124-K, Lots 65, 66, 68, 69, 71, 72, 73, 74, 75, 76, 77, 78, 78-A, 78-B, 123, 123-A, 124, 127, 128, 129, 130, 131, 132, 133, 147, and 149, in the 12th Ward, are hereby approved, and the Executive Director, Deputy Executive Director, Chief Operating Officer, Chief Strategy Officer 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 to Steel City Squash or a related entity, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

## 7. DEVELOPMENT SERVICES

### Item 7(a)

#### RESOLUTION NO. \_\_\_\_ (2022)

RESOLVED: That the final drawings and evidence of financing submitted by PNC Bank, NA, or a related entity for the sale of Block 1-H, Lots 234 and 235 in the 2<sup>nd</sup> Ward, also known as 241 Forbes Avenue (the “Skinny Building”) and 429-431 Wood Street (the “Roberts Building”), are hereby approved, and the Executive Director, Deputy Executive Director, Chief Operating Officer, Chief Strategy Officer 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.

### Item 7(b)

#### RESOLUTION NO. \_\_\_\_\_ (2022)

RESOLVED: That a change order for a contract with Clista Electric, Inc., for an awarded amount of \$443,616 for electrical plan changes, and the inclusion of a speaker/blue light security system is hereby approved.

