

URA Board Agenda



Date/Time: Thursday, January 19, 2023 at 2:00 PM

Web Access: <https://us06web.zoom.us/j/81125532393>

Dial In: 1 (929) 205-6099

Webinar ID: 811 2553 2393

Annual / Regular Board Meeting AGENDA TABLE OF CONTENTS

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 - b. The OwnPGH Homeownership Program will open to applicants starting January 31, 2023.
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Director's Report

To: URA Board of Directors
From: Luis Segovia, Director of HR
Date: January 19, 2023
Re: Agenda Item 6(a): Administration

6(a) Appointment of the URA Executive Director

- i. Approval of Susheela Nemani-Stanger's appointment as Executive Director of the Urban Redevelopment Authority of Pittsburgh and authorization to enter into an employment agreement with Nemani-Stanger for her to serve as Executive Director of the URA.

Authorization Details

Authorization is requested for the approval of Susheela Nemani-Stanger's appointment as Executive Director of the Urban Redevelopment Authority of Pittsburgh. Authorization is further requested to enter into an employment agreement with Nemani-Stanger for her to serve as Executive Director of the URA. Nemani-Stanger currently serves as the URA's Acting Executive Director, a role she assumed following former Executive Director Greg Flisram's December 30, 2022 departure from the URA. Nemani-Stanger assumed the acting Directorship after rejoining the URA as Deputy Executive Director in August 2022.

Though her most recent URA tenure began just last year, Nemani-Stanger brings 13 years of URA experience to the Executive Directorship, having originally joined the Authority in August 2007 as a Project Development Specialist within the URA's former Economic Development Department. Eventually becoming Director of Economic Development, Nemani-Stanger was responsible for formulating public-private partnerships related to the City's Tax Increment Financing and Parking Taxing Diversion programs. She was instrumental in creating and financing the first Transit Revitalization Investment District in the Commonwealth of Pennsylvania while also directing the overall planning, financing, and implementation of significant mixed-use, transportation, infrastructure, and public space projects within the City of Pittsburgh.

Nemani-Stanger's original URA tenure ended in August 2020. In the two years that followed, she led an effort at WQED to produce a COVID-19 vaccine hesitation public health campaign in partnership with the Black Equity Coalition and POISE Foundation. In April 2021, Nemani-Stanger became Allegheny County Economic Development's Deputy Director. While there, she managed the project-related divisions including development, business expansion and attraction, affordable housing development and planning, in addition to providing oversight over the tax diversion and abatement program units.

A Pittsburgh area native, Nemani-Stanger worked in Philadelphia and Baltimore before returning to Pittsburgh to pursue her Master of Public Administration degree from the University of Pittsburgh's Graduate School of Public and International Affairs, focusing on urban and regional affairs. She also holds a Bachelor of Arts from Mercyhurst University in Erie, PA. She lives in Squirrel Hill with her family.

Upon her appointment, Nemani-Stanger will become the first woman and first person of Indian descent to hold the Executive Director position in the URA's 77-year history.



Director's Report

To: URA Board of Directors
From: Thomas Link, Chief Development Officer
Cc: Susheela Nemani-Stanger, Acting Executive Director
Date: January 19, 2023
Re: Agenda Item 7(a): Avenues of Hope

7(a) Approval of the Avenues of Hope American Rescue Plan Act Grant Program Guidelines

Authorization Details

The Avenues of Hope (AoH) Initiative's American Rescue Plan Act (ARPA) Grant Program (AoH ARPA Grant Program), administered by the URA's Business Solutions unit, is designed to award grants to advance eligible projects/programs that both support the mission of the AoH Initiative and align with the Federal ARPA Final Rule. The Federal ARPA funding was dispersed to cities and counties nationally to aid with COVID-19 pandemic recovery. The AoH ARPA Grant Program is funded through a \$7 million ARPA fund allocation from the City of Pittsburgh expressly for supporting AOH communities and COVID-19 recovery on a neighborhood scale.

The AoH ARPA Grant Program will advance projects driven by AoH-based non-profits, community development corporations, business district organizations, business and/or property owners, and partnering private entities. Program grants will be awarded to projects in the seven AoH commercial corridors that accomplish any of the following while complying with Federal ARPA requirements:

- Assist in the revitalization of commercial corridors that were impacted by the pandemic.
- Make improvements to vacant and/or abandoned commercial spaces and/or public infrastructure in disproportionately impacted communities.
- Provide commercial corridor support for recovery of COVID-19 pandemic hardships.
- Invest in AoH neighborhoods to improve health outcomes in disproportionately impacted communities, specifically through the creation and/or improvement of parks and open spaces near or within the commercial corridor.

Specific eligible and ineligible activities can be found within the guidelines.

A portion of the AoH ARPA Grant Program's funds may be used to fund up to 10 AoH Storefront Façade Grant applicants and up to seven Commercial White-Boxing Program projects within the corridors. Any such Storefront Façade Grant or Commercial White-Boxing Program projects to which ARPA funds are allocated must also meet the eligibility requirements in the guidelines.

This grant program will have quarterly rolling deadlines and will be disbursed on a reimbursement basis. The maximum grant request for this program is \$200,000.00. For grant awards above \$50,000.00, there is a matching requirement of 10% (of the total project cost) cash equity investment by the applicant.

Community Advisory Committees will be established in each AoH community with the purpose of creating a fair and equitable review process that is community centered while determining feasibility and impact of each project. The Community Advisory Committees will make preliminary recommendations to the URA Review Committee and will meet quarterly. The URA Review Committee will consist of representatives from the URA, Department of City Planning, Mayor's Office, Office of Management and Budget (OMB), and other City agencies as deemed appropriate. Upon receiving preliminary recommendations from Community Advisory Committees, the URA Review Committee will first work with OMB to determine whether recommended projects are ARPA eligible. The URA Review Committee will then select from among ARPA eligible projects and make recommendations for funding to the URA Board of Directors. Should the URA Board approve but request changes to a project, the URA



will notify OMB and the project will be subject to an additional eligibility review. The URA Board has discretion to accept or deny funding and funding recommendations.

The funding schedule for 2023 is as follows:

Quarter 1 Schedule

- February 1, 2023 Quarter 1 Funding Round opens
- *Information Sessions* *Schedule to be announced*
- March 31, 2023 Applications for Quarter 1 are due
- April 2023 Community Advisory Committee and URA Review Committee meetings
- May 2023 Quarter 1 awards announced, contracting process begins

Quarter 2 Schedule

- April 3, 2023 Quarter 2 Funding Round opens
- *Information Sessions* *Schedule to be announced*
- June 30, 2023 Applications for Quarter 2 are due
- July 2023 Community Advisory Committee and URA Review Committee meetings
- August 2023 Quarter 2 awards are announced, contracting process begins

Quarter 3 Schedule

- July 3, 2023 Quarter 3 Funding Round opens
- *Information Sessions* *Schedule to be announced*
- September 29, 2023 Applications for Quarter 3 are due
- October 2023 Community Advisory Committee and URA Review Committee meetings
- November 2023 Quarter 3 awards are announced, contracting process begins

Quarter 4 Schedule

- October 2, 2023 Quarter 4 Funding Round opens
- *Information Sessions* *Schedule to be announced*
- December 29, 2023 Applications for Quarter 4 are due
- January 2024 Community Advisory Committee and URA Review Committee meetings
- February 2024 Quarter 4 awards are announced, contracting process begins



Director's Report

To: URA Board of Directors
From: Evan Miller, Acting Director, Residential Lending & Investments
Cc: Susheela Nemani-Stanger, Acting Executive Director
Date: January 19, 2023
Re: Agenda Item 8(a): Residential Lending & Investments

8(a) Presentation – Housing Preservation Program Draft Guidelines

- i. Presentation of draft guidelines for the American Rescue Plan Act-funded Housing Presentation Program.

Authorization Details

The Housing Preservation Program (**HPP**) will be used to fund the acquisition of existing subsidized or naturally occurring affordable rental units. HPP is intended to quickly deploy funding to development partners looking to acquire affordable rental property portfolios that come on the market, preventing the loss of existing affordable housing stock that is at risk of turning market rate. HPP is intended to assist non-profit and for-profit developers that seek to keep properties affordable instead of transitioning the units to market rate.

HPP is a response to a growing demand for capital to support the continued availability of Pittsburgh's affordable rental housing stock. Much of this housing stock is rapidly aging, approaching the end of compliance periods, or is naturally occurring affordable housing at risk of flipping to market rate if purchased by a party uninterested in furthering affordable housing efforts in Pittsburgh.

The URA is scheduled to receive \$8,900,000 of American Rescue Plan Act (**ARPA**) funds through the City of Pittsburgh to support this program. ARPA funding will be disbursed as loans to round out the capital stack for development teams that are looking to carry out preservation related acquisition and/or rehabilitations.

Eligible projects will have at least five total units, where no fewer than 50% of the total project units are affordable to renters at or below 80% of the Area Median Income (**AMI**). Activities supported by HPP include the acquisition of housing portfolios that either currently consist of affordable rental units or previously consisted of affordable rental units within the last five years that plan to reinstitute the affordable nature of the project. Funding may be used for capital improvements as well as operating expenses to financially stabilize currently affordable properties.

All affordable units assisted through HPP will be required to remain affordable for a minimum of 40 years. It is important to note that participating projects may not result in a reduction of affordable units, and that strong preference will be given to projects that affirmatively further fair housing and accept Housing Choice Vouchers.

The maximum loan amount will be determined by the number of affordable units as well as staff underwriting and may be dependent on funding availability. Funding will be capped at up to \$50,000 per unit, with a maximum loan of up to \$1,500,000 per project.

Draft guidelines will be posted on the URA's website and open for public comment until Friday, February 3, 2023 at 5 PM. Final guidelines are planned to be presented to the URA Board for approval during the Thursday, February 9, 2023, Regular meeting.

Upon final approval and contingent upon a recipient agreement being executed between the URA and City of Pittsburgh, the URA will then release a Request for Proposals (**RFP**) seeking eligible projects in need of HPP funding. This RFP will be announced at a future URA Board meeting.



Director's Report

To: URA Board of Directors
From: Evan Miller, Acting Director, Residential Lending & Investments
Cc: Susheela Nemani-Stanger, Acting Executive Director
Date: January 19, 2023
Re: Agenda Item 8(b): Residential Lending & Investments

8(b) Uptown – City's Edge

- i. Authorization to enter into a Rental Gap Program loan agreement, in the amount of up to \$1,220,000 with City's Edge Residential 1, LLC, for the new construction of City's Edge Apartments.

Authorization Details

Authorization is requested to enter into a \$1,220,000 Rental Gap Program (**RGP**) construction/permanent loan with City's Edge Residential 1, LLC, for the construction of the City's Edge mixed-use development. City's Edge will include 110 residential units, 39,000 square feet of rentable commercial space, and a two-story parking garage. 92 of the 110 residential units will be kept affordable at varying Area Median Income (**AMI**) levels. All of the 92 affordable units will also be covered by a Section 8 Housing Assistance Payment contract with the Housing Authority of the City of Pittsburgh (**HACP**).

Because of the complexity of the financing for the project, the development team divided the project into three portions:

- A 4% Low Income Housing Tax Credit (**LIHTC**) portion;
- A 9% LIHTC portion, and;
- A commercial portion.

The RGP loan will only fund the 4% LIHTC portion, which is estimated to cost \$35.8 million. This portion of the project will result in the development of 54 new units of affordable housing, including:

- 17 units affordable to households at or below 60% of AMI;
- 28 units affordable to households at or below 50% of AMI, and;
- Nine units affordable to households at or below 30% of AMI.

The developer is Midpoint Group of Companies, LLC, a new development firm started by Nate Boe. Prior to starting MidPoint, Mr. Boe served as the Chief Development Officer for HACP, where he helped develop affordable housing projects for years. MidPoint's non-profit partner is Community Growth Fund (**CGF**), an affiliate of the Pittsburgh Community Reinvestment Group. CGF served as the predevelopment lender for the project. CGF will also provide wealth building education services to tenants throughout the year and assist in selecting/managing the financial institution who will operate the on-site ATM/banking center. CGF will also be working with the business incubator on the property and will assist Minority and Women-Owned Business Enterprises (**MWBE**) involved in the project. Macedonia FACE will provide supportive services to the low-income individuals and families at the site. Macedonia FACE is a non-profit, faith-based human services agency with over 20 years' experience providing social services.

Construction is estimated to take 22 months and finish in late 2024.

Borrower/Developer City's Edge 1, LLC / MidPoint Group of Companies, Inc.

Contractor: Fairchance Construction

Location: 1450 Colwell Street, Pittsburgh, PA 15219



Neighborhood:	Uptown
Council District:	6th
Description:	Mixed-Use New Construction – 110 units (92 affordable at varying AMI levels), 39,000 square feet of commercial space, and a two-story parking garage
Authority Financing for Review:	\$1,220,000 RGP construction/permanent loan
Collateral:	The URA RGP loan shall occupy fourth lien position. An Open-End Mortgage and Security Agreement will be recorded on the property to evidence this lien position.
Loan Terms	Interest Rate: 0% Term: 40 years Affordability Period: 40 years
Required Approvals:	Both the Real Estate Loan Review Committee and the Housing Opportunity Fund (HOF) Advisory Committee approved this loan at their January meetings.
Program Sources:	HOF RGP 2022
MWBE:	Full approval received on 11/14/2022
Commitment Expiration Date:	Per the commitment letter, the commitment would expire on 12/31/2022 if the project failed to receive 9% and 4% LIHTC awards by that date. The project secured both awards by 12/31/2022.

Sources of Funds	
Permanent Financing – 1 st Lien (Citizen’s Bank)	12,545,832
Permanent Financing – 2 nd Lien ARMDC Loan (HACP Affiliate)	18,517,696
Permanent Financing – 3 rd Lien (Pennsylvania Housing Finance Agency [PHFA])	2,100,000
Permanent Financing – 4 th Lien (URA RGP Loan)	1,220,000
Permanent Financing – 5 th Lien (PHFA Realty Transfer Tax Fund)	500,000
4% and 9% Tax Credit Equity	22,329,597
PTD/SIF/MidPoint-7Capital	675,000
URA Seller’s Note	500,000
Midpoint-7Capital (2021 Redevelopment Assistance Capital Program [RACP] Funds)	1,500,000
Midpoint-7Capital (2020 RACP)	1,200,000
Midpoint-7Capital (EZP/NAP)	425,000
Deferred Developer’s Fee	2,213,533
Developer Equity	750,000
Energy Rebate	20,000
Total Project Financing	64,496,659

Uses of Funds	
Acquisition	1,015,858
Hard Costs	46,283,735
Soft Costs	4,516,781
Fees	6,718,733
Miscellaneous Development Expenses	1,301,286
Construction & Permanent Loan Financing	4,660,266
Total Project Uses	64,496,659



**Annual / Regular Board Meeting
January 19, 2023
DISCLOSURE AGENDA**

1. Agreements/Amendments

- a. Authorization to accept the updated guidelines for the Mainstreet Ventures program.
 - i. Adjustment to the structure of the financing from cash flow to term loan.
 - ii. Adjustment to repayments from full repayment to 50% forgivable.
- b. Amendment of Resolutions 198 (2008), 451 (2018), 209 (2019), 255, 256, 257,258, 399 (2020), 83 and 272 (2022), to replace Chief Strategy Officer with Chief Development Officer, and to add Acting Executive Director as Signatories for all URA Documents.
- c. Authorization to appoint Susheela Nemani-Stanger as the URA trustee for the URA’s retirement program through John Hancock.
- d. Amendment of Resolutions 450 (2018), 255 (2020), 85 (2022), and 273 (2022) by inserting a new subparagraph A as follows:
 - i. “All accounts of this Corporation – any two of the following: one of which is to be one of the following: Acting Executive Director, Executive Director, Deputy Executive Director, Senior Counsel, Chief Operating Officer, Chief Development Officer, or Chairperson of the Board of Directors and the second signature to be that of one of the following, so long as it is not the same as the first signature: Acting Executive Director, Executive Director, Deputy Executive Director, Senior Counsel, Chief Operating Officer, Chief Development Officer, Chairperson of the Board of Directors, Vice Chairperson of the Board of Directors, or Director of Finance; excepting the accounts designated “Contractor’s Disbursement Account” and “PHRP Disbursement Account” and the “HOME Disbursement Account” which shall require only one signature to be one of the following: Acting Executive Director, Executive Director, Deputy Executive Director, Senior Counsel, Chief Operating Officer, or Chief Development Officer.”
- e. South Oakland – Pittsburgh Technology Center Parking Garage at 925 Technology Drive
 - i. Authorization to approve a change order, in the amount of \$7,472.39, with Clista Electric, Inc., for heavy duty switches and disconnects, to be funded by PDF, UDAG, PTC TIF proceeds, and/or the pending Dollar Bank construction loan.
 - ii. Authorization to approve a change order, in the amount of \$300,000, with CPS Construction Group, Inc., for winter protection and temporary heating for three months and an added five days to the schedule as per added work, to be funded by PDF, UDAG, PTC TIF proceeds, and/or pending the Dollar Bank construction loan.
 - iii. Authorization to approve a change order, in the amount of \$15,966.23, with CPS Construction Group, Inc., for supply chain issues and material cost escalation, to be funded by PDF, UDAG, PTC TIF proceeds, and/or the pending Dollar Bank construction loan.

2. Acquisitions

- a. Authorization to acquire, via donation, and execute a deed for Parcel B in the Henderson Subdivision Plan (a to-be-filed subdivision of Block 92-H, Lot 120, in the 31st Ward [264 Glass Run Road, Hays]) from Cynthia Ann and Richard M. Henderson for \$1.00 using Leased Land funds.

3. Certificates of Completion

- a. Certificate of Completion and return of Good Faith Deposit for Northside Properties Residences IV LLC, for Block 22-B, Lots 278, 280, 281, 282, 282A, 283, 284, 285, 286, 286A, 287, 288, 289; Block 22-F, Lots 4, 5, 6, 7, 8, and 9; and Block 22-G, Lots 1, 2, 4, 14, 23, 24, 25, 128, and 128A in 21st Ward (Cal-Bride Place – new multifamily residential construction).



4. Appointments

- a. Authorization to appoint Pamela Collier to the Board of the Pittsburgh Housing Development Corporation (three-year term).

5. Dispositions

- a. Transfer proposal, form of contract, and authorization to execute a deed for the sale of Block 27-B, Lots 53 and 54, in the 5th Ward to Pittsburgh Housing Development Corporation for \$500 per parcel plus costs.
- b. Authorization to convey Parcel B in the Henderson Subdivision Plan (a to-be-filed subdivision of Block 92-H, Lot 120, in the 31st Ward [264 Glass Run Road, Hays]) to the City of Pittsburgh for \$1.00.

6. Side Yard Sale

- a. Proposal, form of contract, final drawings, final evidence of financing, and authorization to execute a deed to Lois Jene Carrington for the sale of Block 15-S, Lot 26, in the 18th Ward for \$2,600 plus costs (Michigan Street – side yard sale).



Appendix – January 19, 2023 Resolutions

6. ADMINISTRATION

Item 6(a)

RESOLUTION NO. ____ (2022)

RESOLVED: That Susheela Nemani-Stanger’s appointment as Executive Director of the Urban Redevelopment Authority of Pittsburgh, at the salary as listed in the URA's 2023 Administrative Budget, is hereby approved.

RESOLVED FURTHER: That the URA is authorized to enter into an Employment Agreement with Susheela Nemani-Stanger to serve in the role as Executive Director of the URA.

5. AVENUES OF HOPE

Item 7(a)

RESOLUTION NO. ____ (2022)

RESOLVED: That the Avenues of Hope American Rescue Plan Act Grant Program (ARPA) Guidelines are hereby approved.

6. RESIDENTIAL LENDING & INVESTMENTS

Item 8(b)

RESOLUTION NO. ____ (2023)

RESOLVED: That a loan with City’s Edge Residential 1, LLC, for the new construction of City’s Edge Apartments, in an amount of up to \$1,220,000, payable from the Housing Opportunity Fund (HOF) Rental Gap Program is hereby approved, and the Acting Executive Director, Executive Director, Deputy Executive Director, Chief Operating Officer, Chief Development Officer, Senior Counsel and/or the 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 the same and affix the seal of the Authority thereto.

