

Minutes of the Virtual Regular Board Meeting of the Urban Redevelopment Authority of Pittsburgh.

October 8, 2020 – 2:00 P.M., E.S.T.

Members Present: Williamson, Powell, Lavelle, Hirsh, Gainey

Members Absent: None

Staff Present: Walker, Flisram, Clark, Smith Perry, Geiger, Saladna, Carter, Grantham, Fitzgibbons, and Bohince.

Mr. Williamson called the Regular Meeting to order and declared a quorum present.

1. Roll Call
2. Public Comment, See attached.
3. General
  - a. Approval of Meeting Minutes of the Regular Board Meeting of September 10, 2020.
4. RFPs, RFQs, RFIs & Bids
  - a. Request for Proposals for ELTRIDRA accounting services.
5. Announcements
  - a. 2018-2019 Annual report.
  - b. Commercial Lending Dashboard.
  - c. Housing Lending Dashboard.
  - d. Sidewalk Sales Program, Round 2.
6. CONNECTION TWG, LLC – PDF Loan
  - a. Pittsburgh Development Fund (PDF) Loan Agreement with CONNECTION TWG, LLC in an amount of up to \$1,500,000.

Ms. Walker requested Board approval of the above item.

Ms. Jessica Smith Perry, Housing Lending Director presented that authorization is requested to enter into a Pittsburgh Development Fund (PDF) loan agreement with CONNECTION TWG, LLC in

an amount of up to \$1,500,000. CONNECTION TWG, LLC will utilize the PDF funds to complete its construction of a five-story, 280-unit multifamily development above a 188-space parking podium at 2948 Sidney Street, Pittsburgh, PA 15203 in the South Side. CONNECTION TWG, LLC will rent 28 (10%) of the units to tenants at or below 50% AMI. The total development cost, including the hard cost contingency and change orders as a result of difficulties with the excavation (detailed below) is \$59,834,295.

TWG Construction, LLC previously presented to the URA Board back in October 2018 during which the Board approved a proposal and form of a disposition contract with TWG Construction, LLC for the sale and redevelopment of Parcels E-1e and E-1f at South Side Works (Resolution No. 99, 2019). They later closed in May 2019.

The development did not originally include any URA financing, however, issues with land acquired from the URA led to increased construction costs. During the initial excavation, several obstructions were discovered including substantial amounts of concrete, rebar, steel structures, and 12" layers of slag at 3' and 5' depths. To dig through these impediments, CONNECTION TWG, LLC has had to use excavators with hydraulic hammers. Beside the cost overruns attributed to these obstacles, the associated COVID-19-related time delays have pushed the project schedule back by months, adding over \$4 million in construction overages from the site alone.

**Details of the development are as follows:**

Borrower/Developer:	CONNECTION TWG, LLC
General Contractor:	TWG Construction, LLC
Architect:	TWG Development, LLC Jalar Construction (Sub-Contractor)
Location:	2948 Sidney Street, Pittsburgh, PA 15203
Neighborhood:	South Side
Council District:	3
Description:	Construction of 280-unit multi-family development in the South Side; 28 units affordable at or below 50% AMI.
Authority Financing for Review:	\$1,500,000 PDF Loan: 4.0% interest, a 20-year amortization, interest-only until end of 18-month construction period.
Collateral:	URA-recorded second mortgage, personal and corporate guarantees by TWG Development, LLC, mortgage on separate

	developer-owned parcel, and/or another solution agreed upon by the URA and development team
Required Approvals:	Approved at the Real Estate Loan Review (RELRC) Committee meeting on October 7, 2020.
Commitment Expiration:	This commitment of funds shall expire on February 8, 2021. If Project is not closed by this date, the commitment shall be null and void.

<b>Development Sources</b>	
Construction Loan	\$42,234,908
<i>URA PDF Loan</i>	<i>\$1,500,000</i>
General Partner Loan	\$1,628,993
JV Partner Equity	\$13,746,874
<u>General Partner Equity</u>	<u>\$723,520</u>
<b>Total Project Financing</b>	<b>\$59,834,295</b>

**Mr. Williamson motioned to hold this item until next month.**

**RESOLUTION NO. \_\_\_\_\_ (2020)**

RESOLVED: That a loan with CONNECTION TWG, LLC to complete its construction of a five-story, 280-unit multifamily development above a 188-space parking podium at 2948 Sidney Street, Pittsburgh, PA 15203, in the South Side Connection, in an amount of up to \$1,500,000, payable from the Pittsburgh Development Fund (PDF) is hereby approved, and the Executive Director, Deputy Executive Director and/or the Business Solutions Director, 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.

7. North Negley Residences – RHDIP Loan Increase

- a. Authorization to amend Resolutions Nos. 135 and 136 (2020) to combine the Rental Housing Development Improvement Program (RHDIP) loan in the amount of \$414,770 and the Rental Gap Program (RGP) loan in the amount of \$585,230 into one Rental Gap Program loan.

- b. Authorization to increase the Rental Gap Program Loan of \$1,000,000 by \$225,000 to \$1,225,000.

Ms. Walker requested Board approval of the above items.

Ms. Smith Perry presented that Via Resolution Nos. 135 and 136 (2020) the Board approved construction and permanent financing for the North Negley Residences 9% Low Income Housing Tax Credit (LIHTC) development at its April 16, 2020 meeting. The URA commitment included a RHDIP loan in the amount of \$414,770 and an RGP loan in the amount of \$585,230.

Since then, the URA Board approved sunsetting the RHDIP program at the July 2020 meeting (Resolution No. 203, 2020). As a result of RHDIP no longer being an active URA program, authorization is requested to combine the two loans into one larger RGP loan and to increase its amount by \$225,000. This loan increase will be contingent upon the developer’s ability to secure additional gap financing in the amount of \$450,000. The loan amendment is necessary to fund the increased cost of materials and labor as a result of factory stoppages and enhanced safety plans due to COVID-19.

The North Negley Residences development includes the rehabilitation of 327 North Negley Avenue, also known as the B’Nai Israel Synagogue, in the Garfield neighborhood of the City of Pittsburgh. The project will be divided into two phases.

Phase I will involve the addition of two (2) stories to the existing wings and additions to the rotunda and the creation of 45 rental units. Of these 45 units, six (6) will be affordable at or below 30% AMI, 17 will be at or below 50% AMI, and 15 will be at or below 60% AMI for a total of 38 affordable rental units. These units will remain affordable for a period of 40 years. Seven (7) units will be market rate.

Phase II will involve the complete restoration of the rotunda into community-serving offices and gathering space for the residents of the development. This is an entirely separate phase, and therefore the funds represented in this Board action are solely for the completion of Phase I.

**Details of the development are as follows:**

Borrower/Developer:	Catalyst Communities
General Contractor:	Mistick Construction
Architect:	Desmone Architects
Location:	327 N. Negley Ave., Pittsburgh, PA 15206
Neighborhood:	Garfield
Council District:	9

Description:	Rehabilitation and new construction additions to the B’Nai Israel Synagogue to include 45 total units.
Authority Financing for Review:	\$225,000 RGP loan increase: 0% interest, a 30-year term, 25% of cash flow.
Authority Financing Previously Approved:	\$414,770 RHDIP Loan & \$585,230 RGP Loan
RHDIP Loan Source:	A combination of HODAG Repay, CDBG, HOME and/or Paygo
Required Approvals:	Approved at the Real Estate Loan Review (RELRC) Committee meeting on October 7, 2020.
Commitment Expiration:	This commitment of funds shall expire on February 8, 2021. If the Project is not closed by this date, the commitment shall be null and void.

<b>Development Sources</b>	
Permanent Loan	\$2,550,000
Federal LIHTC Equity	\$12,157,439
<i>URA HOF RGP Loan (Revised)</i>	<i>\$1,225,000</i>
HACP Soft Debt	\$870,000
HACP Loan Increase (Pending)	\$225,000
PHFA PHARE	\$1,250,000
<u>Deferred Developer Fee</u>	<u>\$413,283</u>
<b>Total Project Financing</b>	<b>\$18,690,822</b>

Michael Polite, of Catalyst Communities , was present. Mr. Polite explained the development and financing for this project.

Upon a motion to approve by Ms. Powell, seconded by Mr. Lavelle, and unanimously carried, the following resolutions were adopted:

**RESOLUTION NO. 290 (2020)**

RESOLVED: That Resolution Nos. 135 (2020) and 136 (2020) are hereby amended, to combine the Rental Housing Development Improvement Program (RHDIP) loan in the amount of \$414,770 and the Rental Gap Program (RGP) loan in the amount of \$585,330 into one Rental Gap Program loan.

**RESOLUTION NO. 291 (2020)**

RESOLVED: That amendment of a Loan Agreement with North Negley Residences to fund the increased cost of materials and labor as a result of factory stoppages and enhanced safety plans due to COVID-19, for an increase of up to \$225,000, for a total Agreement amount of \$1,225,000, payable from the Housing Opportunity Fund Rental Gap Program is hereby approved, and the Executive Director, Deputy Executive Director and/or Business Solutions Director, on behalf of the Authority, is hereby authorized to execute an amendment of 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.

8. Hunt Armory

a. Design Services

- i. Authorization to enter into an agreement with Pfaffmann & Associates, P.C. in an amount of up to \$105,000 for design services for Phase 1 roof and building shell rehabilitation.

b. RACP Grant

- i. Authorization to commit up to \$500,000 of 2019 Paygo, Project Funds and/or other funds as the required match for the RACP grant.
- ii. Authorization to front up to \$3,000,000 from the General Fund and/or other funds to bridge the RACP grant.

Ms. Walker requested Board approval of the above items.

Ms. Laya Mathews, URA Project Development Specialist presented that the Hunt Armory is an approximate 90,094 square feet, National Register of Historic Places and City Historic Landmark designated building located on a 1.84-acre lot at 324 Emerson Street in Shadyside. The URA issued an RFP for the Hunt Armory building in May of 2017 and received four (4) responses. Based on the RFP criteria, response to community concerns, and analysis by URA staff, the review committee recommended a proposed ice rink with office space.

The URA acquired the Hunt Armory from the state in June 2020. Unfortunately, the condition of roof has deteriorated, and a new roof is required. The existing rubber roof is delaminating, and sections of the roof are missing creating points of entry for water to further deteriorate the structure. Due to the Historic Landmark Designation, the magnitude of the structure, and the technical complexity of the roof and the historic building features, a design professional with extensive experience and expertise with such structures is needed.

In order to protect the property and preserve the historical character of the property the URA requests authorization to enter into agreement with Pfaffmann & Associates, P.C. in an amount up to \$105,000 for design services. The design work will include two phases: design work for a phase 1 roof repair in order to protect the structure over the winter and phase 2 design work for a full roof rehabilitation project to be coordinated with the future redevelopment. Pfaffmann & Associates has the requisite historic architectural experience, as well as working knowledge of the Hunt Armory property.

Pfaffmann + Associates is located at 223 Fourth Avenue, Suite 800, Pittsburgh PA, 15222. Robert S. Pfaffmann is Principal in Charge.

The funding source for design is 2019 Paygo Funds.

Funding for the roof replacement will be paid for in part by a Redevelopment Assistance Capital Program Grant (RACP). Authorization is requested to commit the required matching funds to the Hunt Armory RACP grant award to show 50% match upon submission of the RACP application. The Hunt Armory acquisition price of \$1M will be used as match for the RACP award along with requested \$500,000 in 2019 Paygo, Project Funds and/or other funds. Authorization is also requested to front up to \$3 million from the General Fund and/or other funds to bridge the RACP grant.

Robert Pfaffmann, of Pfaffmann + Associates, was present. Mr. Pfaffmann explained the need for the funding requested regarding the condition of the Hunt Armory roof and building.

Upon a motion to approve by Mr. Lavelle, seconded by Mr. Gainey, and unanimously carried, the following resolutions were adopted:

**RESOLUTION NO. 292 (2020)**

RESOLVED: That an agreement with the Pfaffmann & Associates, P.C for design services for phase 1 roof and building shell rehabilitation, for and amount up to \$105,000, payable from 2019 Paygo Funds is hereby approved, and the Executive Director, Deputy Executive Director and/or Business Solutions Director, on behalf of the Authority, is authorized to execute an agreement therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

**RESOLUTION NO. 293 (2020)**

RESOLVED: That appropriation of up to \$500,000,000 of 2019 Paygo, Project Funds and/or other funds as the required match for the Hunt Armory Redevelopment Assistance Capital Program (RACP) grant is hereby approved.

**RESOLUTION NO. 294 (2020)**

RESOLVED: That fronting up to \$3,000,000 from the URA General Fund and/or other funds to bridge the Hunt Armory Redevelopment Assistance Capital Program (RACP) grant, is hereby approved.

**AGENDA "B"**

The Members reviewed the items on Agenda "B" upon motion made by Mr. Lavelle, seconded by Mr. Gainey, and unanimously carried, the following resolutions were adopted:

1. Authorization to amend Resolution No. 413 (2019) which authorized a loan agreement to Larimer/East Liberty phase IV LP in the amount of \$2,094,150 to be reduced to \$1,494,150. The reduction is because the Authority already expended \$600,000 towards Larimer parks and green spaces.

**RESOLUTION NO. 295 (2020)**

RESOLVED: That Resolution No. 413 (2019) is hereby amended, to reduce the Loan Agreement to Larimer/East Liberty phase IV LP amount of \$2,094,150 to \$1,494,150.

2. Authorization to approve a Down Payment & Closing Cost Assistance loan to Christopher Corbett in the amount of \$5,000. Mr. Corbett is a City of Pittsburgh employee.

**RESOLUTION NO. 296 (2020)**

RESOLVED That approval of a Down Payment & Closing Cost Assistance loan to Christopher Corbett, a City of Pittsburgh employee, in the amount of \$5,000 is hereby approved.

3. Authorization to approve a Down Payment & Closing Cost Assistance loan to Kattia Delizin in the amount of \$5,000. Ms. Delizin is a URA employee.

**RESOLUTION NO. 297 (2020)**

RESOLVED That approval of a Down Payment & Closing Cost Assistance loan to Kattia Delizin, a URA employee, in the amount of \$5,000 is hereby approved.



4. Authorization to acquire furniture, fixtures, and equipment from J.T. Thomas, or a related entity, for a price not to exceed \$100,000, for use in storefront 4 of Centre Heldman Plaza. Funding source is 150-00 Real Estate General Fund (Previously Leased Land Fund).

**RESOLUTION NO. 298 (2020)**

RESOLVED: That acquisition of furniture, fixtures and equipment from J.T. Thomas, or a related entity, for an amount of \$100,000, for use in storefront 4 of Centre Heldman Plaza, payable from the 150-00 Real Estate General Fund (Previously Leased Land Fund) is hereby approved, and the Executive Director, Deputy Executive Director and/or Business Solutions Director, on behalf of the Authority, is authorized to execute an agreement therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

5. Amendment of Resolutions Nos. 210, 211, 213 (2019), as previously amended Resolutions No. 432 (2019) and 200 (2020), to extend City's Edge/Lot F approval expiration dates from October 31, 2020 to January 14, 2021 or the first regular meeting of the URA Board to take place in 2021, whichever shall occur sooner.

**RESOLUTION NO. 299 (2020)**

RESOLVED: That Resolution Nos. 210, 211, 213 (2019), as previously amended Resolutions No. 432 (2019) and 200 (2020) is hereby amended, to extend City's Edge/Lot F approval expiration dates from October 31, 2020 to January 14, 2021 or the first regular meeting of the URA Board to take place in 2021, whichever shall occur sooner.

6. Authorization to apply for Department of Community and Economic Development's Industrial Site Reuse Program and, if required, enter into related grant contracts, subgrant and fee agreements.
  - a. 3100 Block of Smallman Street, Strip District - \$95,100

**RESOLUTION NO. 300 (2020)**

RESOLVED: That application to the Department of Community and Economic Development (DCED) for an Industrial Site Reuse Program grant, for an amount not to exceed \$95,100, for the 3100 Block of Smallman Street, Strip District project, is hereby approved, and the Executive Director, Deputy Executive Director and/ or Business Solutions Director, on behalf of the Authority, is hereby authorized to execute an application 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 acceptance of an Industrial Site Reuse Program grant from the Department of Community and Economic Development (DCED), for an for an amount not to exceed \$95,100 for the 3100 Block of Smallman Street, Strip District project is hereby approved, and the Executive Director, Deputy Executive Director, and/or Business Solutions Director, on

behalf of the Authority, is hereby authorized to execute a grant 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. 301 (2020)**

RESOLVED: That a Department of Community and Economic Development (DCED) Industrial Site Reuse Program grant subgrant with an entity to be determined for the 3100 Block of Smallman Street, Strip District project, for an amount not to exceed \$95,100, and an administrative fee to be paid to the Authority, are hereby approved, and the Executive Director, Deputy Executive Director and/or Business Solutions Director, on behalf of the Authority, is authorized to execute a subgrant agreement and an administrative fee agreement therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

7. Authorization to reallocate \$276,340 from CDBG 19-20 For-Sale Housing to the Homeowner Assistance Program.

**RESOLUTION NO. 302 (2020)**

RESOLVED: That the reallocation of \$276,340 from the CDBG 2019-2020 For-Sale Housing to the Homeowner Assistance Program is hereby approved.

8. Authorization to reallocate \$200,000 from PHRP Repayment to the Homeowner Assistance Program.

**RESOLUTION NO. 303 (2020)**

RESOLVED: That the reallocation of \$200,000 from the PHRP Repayment to the Homeowner Assistance Program is hereby approved.

There being no further actions to come before the Members, the Meeting was adjourned.

DocuSigned by:  
*Theresa Schacht*  
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Assistant Secretary

Ann Belser 02:08 PM

If you weren't online earlier, you can't see my question, so I am reposting:

This question has been answered live

Ann Belser 02:08 PM

Hello URA board and staff. I am wondering about item 7A... When we get there. Can you say what is happening with the development of the building and if, after three years of this latest plan and five years since the first ice rink proposal, if there is a plan going forward? And, does the directors report mean the total cost of fixing the roof is expected to be \$3 million or \$3.5 million (which would be the total of the 2019 paygo and the authorization from the general fund)?

This question has been answered live

Megan Confer-Hammond 02:30 PM

Thank you Lindsay. Making that ask for added affordable housing with the power of the URA's purse is a crucial move.

This question has been answered live

Thomas Boyer 02:38 PM

Are there any potential plans for the abandoned apartment buildings across the street from the Negley Ave. project?

This question has been answered live

Rob Pfaffmann 02:40 PM

Im here

This question has been answered live



**Public Comment**  
**October 8, 2020 Regular Board Meeting**

**Name:** Megan Confer-Hammond

**Which URA Board agenda item are you commenting on today?:** 7a

**Comment:**

Good afternoon, my name is Megan Confer-Hammond and I am the interim executive director of the Fair Housing Partnership of Greater Pittsburgh. Today I am commenting on 7a, the Hunt Armory. I understand the process in which the reuse of the Hunt Armory was determined. The Hunt Armory was a wonderful opportunity to provide an affordable housing option to Pittsburgh's Black and Brown families in a neighborhood historically unavailable to all of Pittsburgh. In fact, Shadyside, where the Hunt Armory is located has a 4.7% Black alone population in the context of the City's 23.2% Black alone population, based on census data. And so, FHP is asking the URA to evaluate its community feedback format with a focus on accounting for and addressing Not In My Backyard, NIMBY-ism, which is an ongoing basis for pushing against affordable housing development. Otherwise, NIMBY-ism will result in the URA deepening the City's current racial residential segregation.

# LOWER HILL EXECUTIVE MANAGEMENT COMMITTEE

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## MEMO

Date: October 8th, 2020

To: URA

From: Lower Hill Executive Management Committee (EMC)

Subject: September Progress Report

During these challenging times of COVID, the EMC board is working diligently with all Lower Hill stakeholders and the community to achieve the goals of the CCIP. At this time, however, best efforts have not been demonstrated. Here are some of the EMC's challenges.

### **Community Reinvestment Plan**

Since May, the EMC has been waiting to receive FNB and PAR's counteroffer to the Community Reinvestment Plan for Block G-1. Five months have elapsed. Still pending waiting on the counteroffer.

### **Stop Gap Protection**

On August 21st, the EMC requested from PAR a Stop Gap Protection that would require PAR before any takedown proceedings to give the EMC eight weeks to consider proposed community benefits, specifically the Community Reinvestment Plan. EMC is waiting on PAR's written response. Kevin Acklin did give a verbal commitment. Still pending, no update.

### **Redevelopment Assistance Capital Program**

FNB, URA, and PAR have applied for Redevelopment Assistance Capital Program (RACP) funding. Federal, state, or local funds were to be jointly applied for with CDC/CDE's and our other Hill District organization(s). Most EMC board members were not aware of the submissions, and no community organization was invited to jointly apply, which is a violation of the CCIP. The EMC has invited FNB to engage in further discussion. Still pending response to the meeting invite.

### **I-579 CAP Project**

The Sports Exhibition Authority just informed us of the I-579 minority participation.

- Total workers on the site have ranged between 20 to 40 - construction by Joseph B Fay Co.
- Minority participation has averaged between 12% to 14%. It has not been determined if any of the 12% to 14% of minority workers are Hill District residents
- Women participation has averaged between 0 to 5%
- Five contracts were issued to WBE/DBE firms, none of which were Black owned, nor from the Hill District

Contracts related to the I-579 CAP project are issued by PennDOT.

The EMC is committed to assuring the implementation of the CCIP and full disclosure to the Urban Redevelopment Authority staff and board of directors such that thoughtful and informed decisions that support our end goal can be made.

Please direct all inquiries to Lance Harrell, CCIP Project Administrator, for the Lower Hill EMC at lharrell@hilldistrict.org or by phone at 412-589-5154