

Minutes of the Regular Board Meeting of the Urban Redevelopment Authority of Pittsburgh,
Wherrett Memorial Room, 13th Floor, John P. Civic Building, 200 Ross Street

March 9, 2017 – 2:00 P.M., E.S.T.

Members Present: Messrs. Acklin, Ferlo, Lavelle, Gainey Mme. Hall-Russell
Members Absent: None

Staff Present: Messrs. Rubinstein, Cummings, Kaminski, Short, Link, Pawlak, Clark, Sausedo,
Fedorek, Sandoval, Mmes. Straussman, Saladna, Meier, Mitchell, Bohince, Taylor, Segal and
Schacht.

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

1. General

- a. The minutes of the Regular Board Meeting of February 9, 2017 were approved as written and previously distributed.

2. Announcements

a. RFP's and Bids

1. Scattered Sites

- i. Bids for the demolition and site clearance of properties located throughout the City of Pittsburgh.

2. East Liberty

- ii Request for proposals for engineering design services for the conversion of North and South Euclid Avenue and Station Street (formerly Penn Circle) to two-way traffic.

Mr. Ferlo asked if there were any proposed demolition sites that require a party wall. Mr. Marty Kaminski, of the Engineering and Construction Department answered that he did not know. Mr. Ferlo wants to see the correct process used in the placement of party walls. Mr. Acklin asked if there is a new process in place for party wall placement. Mr. Tom Cummings, Director of the Housing Department, answered that the City will be hiring contractors to erect party walls following demolition work on properties, which makes the most sense for adjacent homeowners. Mr. Gainey wanted to confirm that after the demolition, the party wall goes up immediately. Mr. Cummings answered yes.

Upon approval by Mr. Ferlo, seconded by Mr. Lavelle and unanimously carried, the following resolutions were adopted:

RESOLUTION NO. 85 (2017)

RESOLVED: That an advertisement for bids for the demolition and site clearance of properties located throughout the City of Pittsburgh is hereby approved.

RESOLUTION NO. 86 (2017)

RESOLVED: That the issuance of a request for proposals for engineering design services for the conversion of North and South Euclid Avenue and Station Street (formerly Penn Circle) to two-way traffic is hereby approved.

3. City-Wide – Adoption of Mayoral Executive Orders related to increase of mixed-income and affordable housing opportunities.
 - a. Authorization to adopt the applicable sections of certain Mayoral Executive Orders to encourage the increased supply and preservation of mixed-income and affordable housing opportunities in the City of Pittsburgh through the following actions:
 - i. Conduct forum or training sessions for developers and financial institutions to learn about the 4% Low Income Housing Tax Credit.
 - ii. Create and manage a local housing preservation database and work with a committee of stakeholders to create a housing preservation policy.
 - iii. Create a set of policies related to the sale of public land or public financial support that provides for the advancement of projects with demonstrated commitment to lasting affordability.
 - iv. As contracted administrator of the Pittsburgh Land Bank, create a set of policies for landbank disposition as it relates to affordability.
 - v. Convene a committee to create a set of policies concerning tenant protections on affordable housing projects which involved the sale of public land or received public financial support.

Mr. Rubinstein requested Board approval of the above item.

Authorization is requested to officially accept Executive Orders from the Mayor of the City of Pittsburgh concerning affordable housing creation and preservation. In 2015 and 2016 the City of Pittsburgh commissioned an Affordable Housing Task Force to study the availability of and the need for affordable housing in the City and to make recommendations regarding the preservation

and creation of affordable housing. The Task Force recommended actions such as studying incentive zoning and inclusionary housing policies, creating an affordable housing database, creating a preservation housing policy, and training developers. Therefore, the Mayor recently issued Executive Orders to the Authority, the Housing Authority of the City of Pittsburgh (HACP) and various City Departments to begin to study and implement certain policies regarding affordable housing.

Through a series of Executive Orders, the Authority was charged: (1) to conduct 4% Low Income Housing Task Credit training sessions, (2) to create and manage a local housing database, (3) to work with a set of stakeholders to create a preservation policy to track expiring affordability commitments, (4) to create a set of policies related to the sale of public land or public financial support that provides for the advancement of projects with demonstrated commitment to lasting affordability, (5) create landbank disposition policies that relate to affordable housing, and (6) study tenant protection laws and strategies. The Executive Orders detail timeframes under which the Authority should try to accomplish these tasks.

Mr. Acklin stated that the Executive Orders are a result of the Affordable Housing Task Force Report that came out last year. He stated that although the Executive Orders are not enforceable, they are being presented for the Board to consider as a framework for affordable housing. Mr. Acklin stated that Executive Orders lay out additional hard work to be done in the future. He encourages continued collaboration with government and external advocates. Mr. Ferlo supports the Executive Orders and appreciates the work of the Administration, and asked if City of Pittsburgh Housing Authority (HACP) will be parallel in adopting these Executive Orders. Mr. Acklin answered yes. Mr. Ferlo asked when a report will be generated from the Authority that specifies the Executive Orders, in relation to Housing projects. Mr. Cummings answered that the Executive Orders require the Authority to return to the Board to present items in a certain timeframe that varies, but could be anywhere from six months to a year. Mr. Lavelle thanked the Mayor for pushing the Executive Orders, and said that finding new resources will be critical.

Upon approval by Mr. Ferlo, seconded by Ms. Hall-Russell and unanimously carried, the following resolution was adopted:

RESOLUTION 87 (2017)

RESOLVED: That adoption of the following Mayoral Executive Orders related to increase of mixed income and affordable housing opportunities are hereby approved:

- i. Conduct forum or training sessions for developers and financial institutions to learn about the 4% Low Income Housing Tax Credit.
- ii. Create and manage a local housing preservation database and work with a committee of stakeholders to create a housing preservation policy.
- iii. Create a set of policies related to the sale of public land or public financial support that provides for the advancement of projects with demonstrated commitment to lasting affordability.
- iv. As contracted administer of the Pittsburgh Land Bank, create a set of policies for landbank disposition as it relates to affordability.
- v. Convene a committee to create a set of policies concerning tenant protections on affordable housing projects which involved the sale of public land or received public financial support.

4. Lawrenceville - Affordable Housing Scattered Sites Land Trust

- a. UDAG Program Income Fund (UPIF) loan to Lawrenceville Corporation in the amount of up to \$179,620.00.
- b. Pittsburgh Housing Construction Fund (PHCF) grant Lawrenceville Corporation for \$445,000.00 and a waiver of PHCF administrative guidelines.

Mr. Rubinstein requested approval of the above items.

Authorization is requested to approve the above agreements for a housing rehabilitation and construction project in the Upper Lawrenceville neighborhood of the city. Lawrenceville Corporation (LC) is the non-profit community development corporation for the neighborhood. LC builds a better Lawrenceville by working toward a diverse community of long-time residents, homeowners and renters, children and seniors, low-income and middle class families. In this pursuit, LC and Lawrenceville United (LU) contracted with EvolveEA to lead a community planning process for Upper Lawrenceville. With the input of over 200 residents and a neighborhood steering committee, the Upper Lawrenceville Community Plan was released in the summer of 2013. One of the priorities of the Community Plan is that Upper Lawrenceville must offer "housing for all," and that community partners must move to ensure that both economic diversity and affordability are maintained amidst the exponential growth in the residential real estate market. To achieve this goal, the LC is implementing a Community Land Trust Model.

A Community Land Trust (CLT) is a tool that creates permanently affordable home ownership opportunities for individuals who have been priced out of the private market. Based on the CLT structure, the homes are guaranteed to be permanently affordable. Through the use of a ground-lease, CLTs set a maximum resale price designed to give homeowners a return on their investment, while also ensuring that future homebuyers at the same income level have access to affordable homeownership.

To date LC utilized a URA CDIF predevelopment grant of \$50,000 to finance soft costs and acquire land for the project. The requested Authority \$179,620 UDAG Program Income Fund (UPIF) loan will enable LC to complete new construction of six (6) homes and the rehabilitation of one (1) home. Additionally, authorization is requested to enter into the above PHCF grant agreement with LC for up to \$445,000 to provide additional funding for the construction of six (6) modules during the construction phase.

A waiver of PHCF Administrative guidelines is requested to provide a grant in excess of \$30,000 per unit. The waiver is necessary to write down the project total development costs to an economically feasible level. The PHCF grant will be sourced by a combination of the following sources: Lawrenceville CDBG funds, Neighborhood Housing CDBG funds, HOME funds, local funds, CDBG repayments, and/or State Housing repayments.

Details of the development are as follows:

Developer:	Lawrenceville Corporation Matthew Galluzzo, Executive Director 100 43 rd St, Pittsburgh, PA 15201
Location:	Scattered sites in Upper Lawrenceville
Address:	800 McCandless Avenue (Rehab) 5230 Lotus Way, 5229 & 5231 Poe Way (New) 5228, 5230 & 5233 Duncan Street (New)
Ward:	10 th Ward
Description:	Construction of six (6) new scattered site for sale affordable units and the rehabilitation of one (1) for sale affordable unit.
Architect:	Rothschild Doyno Collaborative Ken Doyno, Senior Principal, President 2847 Penn Ave

Pittsburgh, PA 15222

General Contractor: EcoCraft Homes
Elliot Fabri, Vice President
1101 Gromwell Lane
Bridgeville, PA 15017

Total Development Cost: \$2,161,498

Sales Price: \$120,000 - \$140,000

Construction Financing Sources:

URA Financing Sources:

UPIF Loan (Permanent)	\$ 179,620
PHCF Grant	\$ 445,000
CDIF Grant (previously approved)	<u>\$ 50,000</u>
Total URA Financing	\$ 674,620

Other Financing Sources:

WesBanco Loan	\$ 718,480
Predevelopment Grant	\$ 5,000
Bridgeway Capital Predevelopment Grant	\$ 35,000
Owner Equity	\$ 78,998
Hillman Foundation Grant	\$ 350,000
Heinz Endowments	\$ 100,000
In-kind Donations	\$ 27,500
Bridgeway Capital Development Grant	\$ 150,000
<u>Deferred Costs</u>	<u>\$ 21,900</u>
Total Other Financing	\$ 1,486,878

Authority Financing:

\$179,620 - UPIF loan: 2% interest rate, eighteen (18) month term.

\$445,000 - Pittsburgh Housing Construction Fund (PHCF) Grant.

\$ 50,000 – Community Development Investment Fund (CDIF) Grant (previously approved)

Program Benefit: This development will help maintain and enhance the economic diversity of Lawrenceville, by providing affordable for sale housing.

Real Estate Loan Review Committee Status: To be presented at the March 8, 2017 Real Estate Loan Review Committee Meeting

Mr. Ferlo asked the total cost of this project. Mr. Cummings answered roughly \$2.1 million for seven units at \$300,000.00 per unit. Mr. Cummings stated that Lawrenceville is a neighborhood where housing is becoming less affordable, and this project would assist individuals and families with a lower AMI to purchase a home. He stated that Lawrenceville Corporation purchased these sites, and the Authority has been asked to finance the construction. Mr. Acklin stated that this project is going to be a pilot for other neighborhoods to follow. Ms. Hall-Russell stated that she is for affordable homeownership regarding wealth building, but is confused by the market cap. Mr. Lavelle stated that from what he understands, the homeowner will be able to sell. However, if the sales price is capped at the market rate, it takes the home out of the affordable range. He wanted to know what the allowable percentage of the cap will be. Matthew Galluzzo, of Lawrenceville Corporation, was present. Mr. Galluzzo stated that the ground lease that Mr. Cummings spoke of has a resale formula attached, which states that these homes can be resold to another 80% AMI buyer, and the cap is about 1.1% annually, and has attracted in the last decade about 1.5%. He stated that ownership for five years, at a 5% interest rate, with a 2% down payment, will accumulate \$21,000.00 in equity, with a resale value of \$141,000.00 or more for a \$120,000.00 house. He also stated that equity after ten years would be \$41,000.00 with the same interest rate and down payment. He stated that the alternative in Lawrenceville is a 15% increase from year to year. Mr. Galluzzo stated that they are not denying that there is not a significant investment with these homes, but because of the 99 year ground lease, every acquisition will involve income qualified homebuyers. He said that 70% of all CLT buyers nationally move on to market rate homeownership. He stated that to create affordable homeownership, projects like this need to be implemented.

Mr. Ferlo feels that some neighborhoods need to have to maintain a higher market value to remain sustainable, and the real estate tax base is a contributing factor. He is concerned about the residency numbers in the City that have gone down, and a great abundance of houses are being left behind. He stated that properties in Lawrenceville are not being assessed properly. Mr. Acklin stated that this project is a worthy investment, and a new model for the City that has been adopted elsewhere. He stated that there is a very robust effort in the City to implement new policies for land recycling, and unlock public lands that are in various forms of equity, equitable title, and tax delinquency and make those properties available for affordable housing investments. Mr. Ferlo feels that another model should to be created to capture housing investments that are more reasonable.

Upon approval by Mr. Ferlo, seconded by Ms. Hall-Russell and unanimously carried, the following resolutions were adopted:

RESOLUTION NO. 88 (2017)

RESOLVED: That a loan to Lawrenceville Corporation for construction of six (6) new homes and the rehabilitation of one (1) home in the Upper Lawrenceville neighborhood, for an amount not to exceed \$179,620.00, payable from the UDAG Program Income Fund (UPIF), is hereby approved, and the Executive Director or 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 same and affix the seal of the Authority thereto.

RESOLUTION NO. 89 (2017)

RESOLVED: That a Pittsburgh Housing Construction Fund (PHCF) grant to Lawrenceville Corporation to provide additional funding for construction of six (6) new homes, for an amount not to exceed \$445,000.00, is hereby approved, and the Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute a (PHCF) grant agreement therefor, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto; and it is

RESOLVED FURTHER: That a waiver of the PHCF Administrative Guidelines to provide said grant is hereby approved.

5. Replace Old Lead Lines (ROLL) Program

- a. Implementation of the Replace Old Lead Lines (ROLL) water lines replacement program for City of Pittsburgh property owners.
- b. Approval of program guidelines.
- c. Engagement of Dollar Bank for underwriting and loan servicing.

Mr. Rubinstein requested Board approval of the above items.

Due to elevated lead levels found at taps in some Pittsburgh homes the Department of Environmental Protection (DEP) has ordered the Pittsburgh Water and Sewer Authority (PWSA) to replace the lead water line that run from the service main under the street to the curb. PWSA is required to replace approximately 1,450 lead water lines in the public right-of-way per year. The work will begin in areas believed to be the most likely to have lead present. Property owners are responsible for the service line on private property, up to the curb stop. Homeowners whose water line will be targeted are not required to replace the service line that connects to their home, though they are encouraged to do so by PWSA.

Property owners with lead lines will be given at least a 45-day notice when PWSA plans to replace the public service line. PWSA is encouraging customers to replace their private line while PWSA is replacing their lead service line in public space. The street and sidewalk will already be dug up by PWSA, so this would significantly reduce the customer's expense for the remaining private replacement.

To help with this initiative the Authority is requesting authorization to implement a new program to provide financial assistance to property owners who choose to replace the lead water service lines on private property. The proposed Replace Old Lead Lines (ROLL) program would have an interest rate of 3% with a loan term of up to 10 years based on the amount borrowed. The maximum loan amount would be up to \$10,000 for a single unit home, although the home can have up to four units. The minimum amount would be \$1,000. (PWSA is estimating the average loan at \$6,000.) The program would be eligible for borrowers with incomes below 120% of the area median income ("AMI"). A set of Program Guidelines is attached.

Authorization is also requested to enter a contract with Dollar Bank to underwrite and service ROLL loans. The contract will initially be for a two-year period with the right to renew annually. Dollar Bank will be paid a set fee for originated loans, declined loans and cancelled loans. The bank will also be paid a per loan monthly service fee.

Staff recommends that this program initially be capitalized in the amount of \$500,000.00. Funding for the program will initially come from the following source(s):

- Home Improvement Loan Program (HILP) Repayments
- Community Development Block Grant (CDBG) Repayments/Program Income

Mr. Lavelle stated that he appreciates the effort on this project, but there will be households over the AMI range that will not be able to afford the pipe replacement, which is a serious problem. Mr. Cummings stated that the Authority recommendation is to capitalize the program at \$500,000.00, which will largely come from the Home Improvement Loan Program repayments. Mr. Acklin stated that the problem is that according to the Municipal Authority Act, PWSA cannot replace the service line, which runs from the house to the main line where most of the lead resides. Mr. Acklin stated that PWSA is under a consent decree with the Public Utility Commission (PUC) that requires 7% of the City's lead lines be replaced per year. Mr. Acklin stated that this project will start in April, which will be the best time for homeowners to take advantage of this program as contractors start opening roads. Mr. Acklin stated that right now a million-dollar program has been implemented to provide filters to low income residents. Mr. Acklin stated that the Mayor is working with Harrisburg to change the law so that PWSA can replace the service lines that have lead in them. Mr. Acklin wants to have discussions with the Governor to request that the Penn Vest program become available. Ms. Hall-Russell asked how many homes will be reached by this program. Mr. Cummings answered 75 homes with the starting \$500,000.00, and

possibly more with CDBG funding in the future. Mr. Acklin suggested that there should be a future recommendation to change the AMI range.

Upon approval by Mr. Lavelle, seconded by Ms. Hall-Russell and unanimously carried, the following resolutions were adopted:

RESOLUTION 90 (2017)

RESOLVED: That implementation of the Replace Old Lead Lines (ROLL) Program is hereby approved.

RESOLUTION 91 (2017)

RESOLVED: That approval of the Replace Old Lead Lines (ROLL) Program Guidelines is hereby approved.

RESOLUTION NO. 92 (2017)

RESOLVED: That the engagement of Dollar Bank, to underwrite and service the Replace Old Lead Lines (ROLL) Program loans, is hereby approved, and the Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute an agreement therefor, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

6. Allegheny West- Business Loan - Savage Visual Effects

- a. Amendment of Loan Agreement with West North Development Group, LP, 506-508 Property Management, LLC, its General Partner, and Savage Visual Effects, LLC, for an increase of \$137,000.00, for a total amount not to exceed \$737,000.00.

Mr. Rubinstein requested Board approval of the above item.

Mr. Tom Link, Director of the Center of Innovation and Entrepreneurship stated that at the January 2016, Regular Authority Board Meeting, the Board approved an up to \$599,982.00 loan to the approximately \$2.4 million business expansion project of Savage Visual Effects, LLC at 506-508 West North Avenue in the Allegheny West neighborhood. The Loan Agreement was signed on February 25, 2016.

Savage Visual Effects is a visual effects production company for film and television. Since its inception in 2007, Savage Visual Effects has worked on several major film and television productions—including for companies such as Paramount Pictures, Twentieth Century Fox, Warner Bros., Sony, Disney, HBO, ABC and others.

The business expansion at 506-508 West North Avenue includes the acquisition, renovation and equipment financing for Savage Visual Effects to expand into newly renovated space with expanded production capacity to accommodate business growth.

That Authority loan closed and is in disbursement toward the completion of the expansion project. During construction, Savage Visual Effects encountered previously unforeseen costs related to necessary utility work. The increased costs to the project are \$676,018.

The action here provides an additional \$137,000.00 in Authority debt financing to the project along with additional financing from First National Bank, the Northside Community Development Fund, and borrower equity to finance the increased costs and complete the project.

West North Development Group, LP is a real estate holding company that owns this single property in the Allegheny West neighborhood of the city. 506-508 Property Management, LLC is the General Partner of the Limited Partnership and Savage Visual Effects, LLC is the operating business and tenant.

The new Authority loan funds will be applied to renovation of the building and related soft costs. The source of funds will be through either the Enterprise Zone Revolving Loan Fund, Urban Development Fund or UDAG Program Income Fund program.

Principals: James Pastorius
 Brice Lievsveld

Location: 506-508 West North Avenue, Pittsburgh, PA 15212
 (Allegheny West)

Description: Business Expansion / historic renovation

SOURCES & USES

SOURCES AND USES OF FUNDS AS PRESENTED 1/14/16

	<u>TOTAL</u>	<u>Equity</u>	<u>First National Bank</u>	<u>Northside Development Fund</u>	<u>AUTHORITY</u>
Building	485,000	125,000	110,000	250,000	
Renovations	1,580,000	250,000	950,000		380,000
Soft costs	200,000	100,000			100,000

Equipment	119,982				119,982
Total	2,384,982	475,000	1,060,000	250,000	599,982
	100%	20%	44%	10%	25%

SOURCES & USES FOR INCREASED PROJECT COST

	<u>Total</u>	<u>Equity</u>	<u>Contingency (Escrow)</u>	<u>First National Bank</u>	<u>NS Development Fund</u>	<u>AUTHORITY</u>
Renovations	676,018	183,268	150,000	68,750	137,000	137,000
	676,018	183,268	150,000	68,750	137,000	137,000
		27%	22%	10%	20%	20%

SOURCES & USES FOR ENTIRE PROJECT INCLUDING INCREASE

	<u>TOTAL</u>	<u>Equity</u>	<u>Contingency (Escrow)</u>	<u>First National Bank</u>	<u>NS Development Fund</u>	<u>AUTHORITY</u>
Building	485,000	125,000		110,000	250,000	
Renovations	2,239,000	433,268	150,000	1,018,750		636,982
Soft costs	200,000	100,000				100,000
Equipment	137,000				137,000	
Total	3,061,000	658,268	150,000	1,128,750	387,000	736,982
	100%	22%	5%	37%	13%	24%

NEW Authority Loan Financing

Authority Loan Amount: up to \$137,000 (bringing the TOTAL Authority loan financing to \$736,982)

Interest Rate: 4.5%

Term: 7-year term (20 year amortization)

General Contractor: Sante Berarducci Inc. (SBI)

Architect: John D. Francona

Loan Review Committee: Approved at the February 15, 2017 business loan review committee

M/WBE Review Committee: Approved

Program Benefit: Community/neighborhood investment. Business expansion. New jobs. New taxes. Renovation of an historic property that has been inactive for several years. All improvements have been deemed appropriate by the State Historic Preservation Office.

No. Jobs: at least 25 jobs to be created between Savage Visual Effects and a proposed café/restaurant tenant.

Ms. Hall Russell asked what the amount of the loan was when this project started. Mr. Thomas Link, Director of the Center for Innovation and Entrepreneurship, stated that the amount was \$2.4 million, and is currently \$3 million. Mr. Ferlo asked if all loan payments are current. Mr. Link answered yes. Mr. Link stated that the Authority has a second mortgage on the building, and personal guaranties. He stated that the structure of this loan included having the real estate development entity and the business and managing partner as co-borrowers.

Upon approval by Mr. Ferlo, seconded by Mr. Lavelle and unanimously carried, the following resolution was adopted:

RESOLUTION NO. 93 (2017)

RESOLVED: That amendment of the Loan Agreement with West North Development Group, LP, 506-508 Property Management, LLC, its General Partner, and Savage Visual Effects, LLC, dated February 25, 2016, for renovation of the building located at 506-508 West North Avenue and related soft costs, for an increase of \$137,000.00, payable from the Enterprise Zone Revolving Loan Fund (EZRLF), Urban Development Fund (UDF) or UDAG Program Income Fund (UPIF), for a total loan amount not to exceed \$737,000.00, is hereby approved, and the Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute an amendment therefor, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

7. Steel City Codefest

- a. Acceptance of \$17,500.00 in sponsorship funds from the following companies to be used for the Steel City Codefest: Google, Innovation Works, UPMC Enterprises, PNC, Bakery Square, Wall-to-Wall Studios, NetApp, American Eagle Outfitters, ShowClix, Five Star Development.

Mr. Rubinstein requested Board approval of the above item.

Mr. Link stated that the Steel City Codefest is an annual city-wide software application development competition that creates custom apps for nonprofits and government. The fifth annual event will take place March 31 – April 7, coinciding with Inclusive Innovation Week. The Codefest will bring together roughly one hundred software designers and coders to tackle pre-vetted challenges – issues from nonprofits and government that could be helped or solved through a custom app.

Over the last four years, more than 350 people have participated in the Codefest events. Through the generous support of The Forbes Funds and the BNY Mellon Foundation of Southwestern Pennsylvania, nine of the software applications started at the Codefest either completed or in development. The nine applications include:

- Planned Parenthood – allows peer educators and staff to provide responses to sex education questions asked by students through an anonymous texting platform.
- City of Pittsburgh – allows residents to sign up for text alerts for trash and recycling pick-up reminders.
- Salvation Army – provides a mobile platform for volunteers and staff to track and log information while on-site at emergencies and disasters.
- Neighborhood Legal Services Association and Community Human Services – simplifies the client intake process.
- 412 Food Rescue – connects volunteer drivers with food donations in need of transportation to distribution points.
- Rebuilding Together Pgh – allows volunteers to be registered out in the field.
- Children’s Museum – provides a way to move large groups through the museum more efficiently.
- Homewood Children’s Village – uses a digital roadmap to guide students through high school and college planning.
- InvolveMINT – provides a social currency exchange platform.

The Steel City Codefest is made possible through the assistance of a 16-person volunteer committee who have cumulatively donated more than three hundred hours of their time to the execution and planning of the Codefest. This committee is made up of individuals from: City of Pittsburgh, Urban Redevelopment Authority, Google, Beta Pop, University of Pittsburgh, Carnegie Library of Pittsburgh, MAYA Design, Work Hard Pittsburgh,

The Forbes Funds, and Code for Pittsburgh.

There was no discussion among the Members.

Upon approval by Mr. Ferlo, seconded by Mr. Gainey and unanimously carried, the following resolution was adopted:

RESOLUTION NO. 94 (2017)

RESOLVED: That the acceptance of sponsorship funds, in the amount of \$17,500.00, from Google, Innovation Works, UPMC Enterprises, PNC, Bakery Square, Wall-to-Wall Studios, NetApp, American Eagle Outfitters, ShowClix and Five Star Development, to be used for the Steel City Codefest, is hereby approved.

8. LaunchPGH.com

- a. Application for a Heinz Endowments grant of \$30,000.00 to be used to update, enhance, and market the LaunchPGH.com website.

Mr. Rubinstein requested Board approval of the above item.

Mr. Link stated that LaunchPGH.com is a business resource website, developed and managed by the Authority that aggregates all of Pittsburgh's business resources and events across the city in one location. Since it launched in 2013, traffic to the site has continued to increase from 4,400 sessions in 2013 to more than 14,000 sessions in 2016. This resource remains the only one of its kind in Pittsburgh, and as such, is an important resource for the city.

Based on feedback from the business community, it has become clear that with a few updates, the site could become even more valuable. By streamlining information and making the site more user-friendly, visitors will be able to get the information they need more quickly. During this update, additional marketing materials will also be developed as part of a larger plan to spread awareness of the website. Through this effort, LaunchPGH.com will continue to be a key business resource for new and existing business throughout the city.

Mr. Acklin asked if there was a current number on users. Mr. Link answered that there were 8,000 visitors the first year and 14,000 currently.

Upon approval by Ms. Hall-Russell, seconded by Mr. Lavelle and unanimously carried, the following resolution was adopted:

RESOLUTION NO. 95 (2017)

RESOLVED: That application to The Heinz Endowments for a grant, for an amount not to exceed \$30,000.00, to be used to update, enhance, and market the LaunchPGH.com website, is hereby approved, and the Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute an application therefor, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto; and it is

RESOLVED FURTHER: That acceptance of a grant from The Heinz Endowments, for an amount not to exceed \$30,000.00, to be used to update, enhance, and market the LaunchPGH.com website, is hereby approved, and the Executive Director or Director of Finance, 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 same and affix the seal of the Authority thereto.

9. Federal North – Bradberry Building

- a. Final drawings, evidence of financing, and execution of a deed for the sale of Block 23-L, Lot 70, in the 22nd Ward (also known as the Bradberry Building), to GTB Bradberry Ventures LLC for \$30,672.00.

Mr. Rubinstein requested Board approval of the above item.

Ms. Kyra Straussman, Director of Real Estate stated that at its meeting of May 14, 2015, by Resolution 124 (2015), the Board of this Authority approved the Redevelopment Proposal Package submitted by Garden Theater Block LLC (Trek Development Group and Q Development), for the sale and redevelopment of portions of the “Garden Theater Block” of the Central North Side neighborhood, including properties located along West North and Federal Streets, and the property known as the “Bradberry” located at the corner of Eloise Street and Reddour Street, and authorized execution of a disposition contract with Garden Theater Block LLC. The purchase price for all properties was to be \$140,000.00. Now, the redeveloper is prepared to move forward with the purchase and development of the Bradberry (1116-1130 Reddour Street, Block 23-L, Lot 70), and we are requesting that this Board accept the final drawings and evidence of financing, and authorize the execution of a deed, for the Bradberry only. The purchase price will be \$30,672.00, which is the pro-rata share of the previously approved purchase price that is attributable to the Bradberry.

The Bradberry is a 15,548-square foot, four story building. It will be converted into 16 apartments, with modern layouts, consisting of one studio, 11 one-bedrooms and four two-bedrooms. The market rate unit rents will be \$1.35 per square foot, ranging from \$648 to \$1,323. There will be three affordable units, two renting for individuals at 80% AMI and one at 120% AMI for 15 years. The front historic façade on Reddour will be restored. The back of the building will need to be rebuilt and the light-well will be enclosed.

Trek Development Group's team consists of Rothschild Doyno Collaborative as the architect, Mistick Construction as the General Contractor, Collective Efforts as the Engineer, and Q Development as Trek's equity development partner.

Trek has significant experience in working with the URA to complete housing development as evidenced by the Dinwiddie Street development and others around the City. This experience and ability to know the Pittsburgh market as well as work hand in hand with public agencies and communities make Trek a good fit for this much-anticipated development.

GTB Bradberry Ventures LLC is a Pennsylvania limited liability company with a registered address of 1008 Brianna Lane, Bethel Park, PA 15102. William J. Gatti, Jr., is the manager.

Mr. Acklin stated that there was a difficult court hearing regarding the zoning variance request that was denied and confirmed by the Commonwealth Court. He stated that this decision will change the direction of this development. He said that when the variance was appealed, Trek had made an initial decision with their partners, as well as with the Authority, to advance development of this building. He stated that Trek must either move forward with the demolition of the front buildings, or develop a conforming building with a slightly lower height restriction. Mr. Acklin commends Trek's commitment for moving ahead with this development.

Mr. William Gatti, of Trek Development Group, was present. Mr. Gatti stated that the development of these buildings is an important part of the North Side history. He stated that they were disappointed by the Commonwealth Court's decision, but feels that with the Authority and City's leadership there will be a remedy for this development. He said that they had a lot of support from the community, especially Central North Side. He knew that there was a risk in submitting the variance request. Mr. Lavelle thanked Trek Development Group for their commitment to this project. Mr. Lavelle stated that the community feedback he is receiving about the other buildings is demolition, but that they are happy about the development of this building. Ms. Hall-Russell stated that she was getting the same feedback about demolition of the other buildings, as well. Ms. Hall-Russell asked about the number of units being developed. Ms. Straussman answered there is a total of sixteen units, that includes eleven one bedroom, four two bedrooms, and one studio. Mr. Gatti stated that this was an option that had been avoided up until this point. Mr. Rubinstein stated that several options are being considered right now for this development. Mr. Acklin asked about the financial situation for development of the other buildings. Mr. Rubinstein stated that the funds available for preserving and stabilizing the other buildings will expire in four months, and doing a lower density project will require an incredible amount of subsidy that will be challenging to obtain. Mr. Ferlo believes an executive session is needed for legal expenditures on the other buildings. Mr. Ferlo asked about the height loss with the current zoning of the Bradberry Building. Mr. Gatti answered that the existing building currently is close to seventy feet in height, and they had asked for ninety. Mr. Ferlo asked if the Authority could ask for a grant to help with the additional expense, and from the Pennsylvania Historical Commission, in terms of State financial assistance. Mr. Rubinstein answered that this will be reengaged because of the existing Memorandum of Agreement. Mr. Gatti stated that because of the high-profile nature of this development, there is a lot of interest shown regarding

the Garden Theater tenancy. He thanked the Authority staff and the Mayor's office for help with this complicated situation. Mr. Ferlo asked if there was one major tenant Trek was looking at. Mr. Gatti answered that they would be open to one or two tenants, and are holding discussions with several restaurants.

Upon approval by Ms. Hall-Russell, seconded by Mr. Ferlo and unanimously carried, the following resolution was adopted:

RESOLUTION NO. 96 (2017)

RESOLVED: That the final drawings and evidence of financing submitted by GTB Bradberry Ventures LLC for Block 23-L, Lot 70, in the 22nd Ward (also known as the Bradberry Building), are hereby approved; and it is

RESOLVED FURTHER: That execution of a deed and all documents necessary to effectuate the sale of Block 23-L, Lot 70, in the 22nd Ward (also known as the Bradberry Building), to GTB Bradberry Ventures LLC, for the sum of \$30,672.00, is hereby approved, and the Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute a deed and all documents necessary to effectuate said sale, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

10. Upper Lawrenceville – 62nd Street Industrial Park

- a. Approval of final drawings, evidence of financing, and a lease for Block 120-C, Lot 10 and a portion of Block 120-G, Lot 155, in the 10th Ward, to Friends of the Pittsburgh Urban Forest d/b/a Tree Pittsburgh.
- b. Option agreement for Block 120-C, Lot 10 and a portion of Block 120-G, Lot 155, in the 10th Ward, with Friends of the Pittsburgh Urban Forest d/b/a Tree Pittsburgh.

Mr. Rubinstein requested Board approval of the above items.

Ms. Straussman stated that at its meeting of September 10, 2015, the Board of this Authority approved a proposal from Friends of the Pittsburgh Urban Forest d/b/a Tree Pittsburgh ("Tree Pittsburgh") to lease and redevelop approximately 5.05 acres (220,139 sf) of the 62nd Street Industrial Park/Former Tippins Site located between the AVR Right of Way and the Allegheny River. In the time since the September 2015 Board action, Tree Pittsburgh has refined its development plans and continued to fund raise. In addition, the potential lease parcel has been subjected to a Subdivision and Consolidation Plan, and is now known as Lot 3B in the URA – Tippins Plan. At this time, we are requesting authorization to execute a 20-year lease with Tree Pittsburgh, and authorization to approve final drawings and evidence of financing, for this portion of the property. Development costs are estimated at \$2,600,000.00. Tree Pittsburgh currently has five full time employees and another 4-19 part-time employees depending on the season.

With this expansion, they foresee adding at least two more full-time employees in the next three years.

Tree Pittsburgh will strive to demonstrate LEED Platinum and Net Zero Energy Certified design and construction. Storm water will be captured from all roof surfaces, stored in cisterns and used to water landscape plants. The campus design will meet all of the requirements of the new temporary Riverfront Overlay District with specific attention to restoring and expanding the riparian forest zone. Moreover, the Heritage Nursery will be model for sustainable agriculture, powered with solar and other alternative energy sources and irrigated with water from the adjacent Allegheny River.

Tree Pittsburgh currently leases the Property pursuant to a five (5) year lease, but a longer term, 20-year lease will permit Tree Pittsburgh to utilize major funding sources and accelerate development of a tree nursery, offices, and educational facilities. The proposed lease rate for the property is \$20,000.00 per year.

We are also requesting authorization to execute an option to purchase the property with Tree Pittsburgh. The option shall only be effective in the event that a developer is found for the majority of the remaining 62nd Street Industrial Park Site (now known as Lot 3A in the URA – Tippins Plan).

Principal:

Danielle Crumrine
Executive Director
Tree Pittsburgh
(412) 781-8733 (TREE)
5401 Butler Street
Pittsburgh, PA 15201

Mr. Acklin wanted confirmation that there will not be a conveyance of title, but an option to amend the lease. Ms. Straussman answered yes. Mr. Ferlo is concerned about exclusivity given to avoid the code of ordinances on the public right of way along the river front. He stated that the cyclone fence that had been installed is blocking the public from gaining access to the riverfront, and would like it moved back thirty or forty feet. Mr. Ferlo stated that this site was supposed to be an industrial site with the potential to interact with the river. Mr. Acklin stated that there have been many meetings about investment into this site, and we have preserved our rights for future development. Ms. Straussman stated that in the event of relocation, TreePittsburgh would be reimbursed for the cost of the development, which is about \$2.6 million. Mr. Ferlo asked what is being fenced off on the river front in that area. Danelle Crumrine, of Tree Pittsburgh, was present. Ms. Crumrine stated that the fence is owned by the Authority and has been there since the beginning of this project, and is there for safety reasons. She said that they are spending a lot of money to combat problems, such as contamination. She stated that they had been robbed, and have a lot of security issues. She said that there will be an increase in public access once the site is developed. She stated that they can create a public water trail since

there is already is a boat ramp in place and, hopefully, this will be an addition to the site in the future. Mr. Ferlo asked why the fence cannot be moved back. Ms. Straussman answered that they will investigate the position of the fence. Mr. Acklin asked about the entitlement issue regarding permits. Ms. Straussman stated that the issue concerns City Planning and the zoning process. Ms. Straussman stated that she has testified at meetings regarding overlay creation for waterfronts, and the Authority is in complete alignment with the requirements. Ms. Crumrine stated that there will be day access to the river, and security will be provided, but will be locked up at night. Mr. Ferlo is concerned about the sites zoning use being changed. Ms. Crumrine answered that the zoning use is still light industrial and agricultural.

Upon approval by Mr. Lavelle, seconded by Ms. Hall-Russell the following resolution was adopted by those present, except for Mr. Ferlo, who abstained:

RESOLUTION NO. 97 (2017)

RESOLVED: That the final drawings and evidence of financing submitted by Friends of the Pittsburgh Urban Forest d/b/a Tree Pittsburgh for Block 120-C, Lot 10 and a portion of Block 120-G, Lot 155, in the 10th Ward, are hereby approved; and it is

RESOLVED FURTHER: That the leasing of Block 120-C, Lot 10 and a portion of Block 120-G, Lot 155, in the 10th Ward, to Friends of the Pittsburgh Urban Forest d/b/a Tree Pittsburgh, for a twenty (20) year initial term, is hereby approved, and the Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute a lease therefor, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

RESOLUTION NO. 98 (2017)

RESOLVED: That the grant of an option to Friends of the Pittsburgh Urban Forest d/b/a Tree Pittsburgh to acquire Block 120-C, Lot 10 and a portion of Block 120-G, Lot 155, in the 10th Ward, is hereby approved, subject to the condition that the option may not be exercised unless a developer has been selected for redevelopment of Lot 3A in the URA Tippens Plan, and the disposition contract with the developer does not include said optioned parcel, and the Executive Director or Director of Finance, on behalf of the Authority is authorized to execute an option agreement therefor, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

11. Larimer – Former Larimer School

- 1. Multiple agreements, as required, to evaluate, clean up, stabilize, and secure Block 124-J, Lot 322, in the 12th Ward, for an aggregate amount not to exceed \$100,000.00 payable from the Leased Land Fund, or Larimer Choice Project Funds (former Larimer School, 540 Larimer Avenue).**

Mr. Rubinstein requested Board approval of the above item.

Ms. Straussman stated that in September 2016, the Board of this Authority authorized acquisition of the former Larimer School at 540 Larimer Avenue in Larimer. The URA acquired the property, located on an approximately 1.03 acre site in the 12th Ward, in December 2016. The approximately 65,400 square foot facility, built in sections between 1896 and 1932, closed in 1980 and is in poor condition. We are requesting authorization now to set aside up to \$100,000.00 from the Leased Land Fund or Larimer Choice Project Funds to engage various contractors to evaluate the property and to clean it up, stabilize it, and secure it. We expect to present individual contracts to the Board for approval later in the year.

Mr. Acklin asked if the area around this building is being secured because of the extensive dumping taking place. Ms. Straussman answered that the area around this building has been fenced in, but it is still vulnerable. Ms. Straussman stated that she is working with Marty Kaminski, Director of Engineering and Construction and his staff, who are performing an evaluation regarding the dumping on this site. She stated that part of these funds will go toward environmental testing of the materials that have been dumped, as well as stabilizing the structure. Mr. Acklin asked what the timeline is for this redevelopment. Ms. Straussman answered it might take a couple of months to complete the evaluation, consider RFP's for redevelopment, and work with community based organizations. Mr. Acklin asked if there are adjacent City parcels around this site. Ms. Straussman answered yes. She stated that there has been a lot of site assembly already completed in the area. Mr. Ferlo is concerned about the timeline of the RFP's being issued and other funding sources. Ms. Hall-Russell is concerned about the breach of the fence around the site. Ms. Straussman stated that there will be someone out today to evaluate that situation.

Upon approval by Mr. Lavelle, seconded by Mr. Gainey and unanimously carried, the following resolution was adopted:

RESOLUTION NO. 99 (2017)

RESOLVED: That the engagement of various contractors to evaluate, clean up, stabilize, and secure Block 124-J, Lot 322, in the 12th Ward, formerly known as the Larimer School, for an amount not to exceed \$100,000.00, payable from the Leased Land Fund or Larimer Choice Project Funds, is hereby approved, and the Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute agreement(s) therefor, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

12. General – Opportunity Space Building Blocks web application

- 1. Agreement with OpportunitySpace, Inc. for its Building Blocks cloud-based web application in an amount not to exceed \$15,000.00.**

Mr. Rubinstein requested Board approval of the above item.

As the URA becomes more data-driven, there is a need to equip staff with analytical tools that guide decision making and inform public policy. City, county, state, and federal organizations store data that, independently, provide limited context for decision-making. When the data is aggregated into a single system, it becomes a powerful tool for analysis.

OpportunitySpace is a Boston-based "smart city" data analytics and web technology company that specializes in delivering mapping, visualizations, and performance/program evaluation solutions to the state and local government departments and agencies that administer urban development and real property. Building Blocks is their web-based solution that links city data sources and enterprise systems across departments and agencies to deliver critical analyses/insights that decision-makers use to align and prioritize policies, resources, and investments for property and neighborhood development.

This tool will help guide strategic planning on land/structure acquisition, identify nuisance properties, and provide real estate market level analysis. It also includes an external public user-face to assist community development corporations in creating their strategic plans. Multiple city agencies and authorities across the country are using Building Blocks for identifying, vetting, and prioritizing properties for Land Bank activities, strategic demolitions, as well as for identifying vacant structures and deploying policy and programmatic resources to stabilize property values. The ability to aggregate government and proprietary datasets and quickly visualize and analyze it will significantly enhance decision making and help ensure the URA's limited resources are used effectively. ePropertyPlus, a data management tool that the URA and City are currently using to track and manage publicly-owned property, will help integrate the information into Building Blocks, a data analysis tool, for planning.

URA staff and other approved users will have access to Building Blocks at no additional cost. Data can be seamlessly uploaded into Building Blocks from existing technology systems/data sources.

In the search for analytical tools, the URA identified and investigated similar applications available from five competitors in this comparatively new space. They all either provided a more limited scope of work, had higher prices and/or required the purchase of multiple applications. The URA interviewed Building Blocks users in Louisville, KY; Rockford, IL; and High Point, NC. All reported positive experiences with OpportunitySpace and Building Blocks.

The standard cost for a one year contract to utilize Building Blocks is \$20,000.00, but Opportunityspace, Inc. has offered a \$5,000.00 discount if the contract is executed by April 15, 2017.

The funding source for this item is the Leased Land Fund. OpportunitySpace, Inc., is a Delaware corporation with an address of 50 Milk Street, 17th Floor, Boston, MA 02109. Alexander Kapur is Co-Founder, Chairman.

Mr. Acklin asked if this is a proprietary system. Ms. Straussman answered that it is, and that this will allow the Authority access for one year. We will have to negotiate a price for next year. Mr. Acklin asked if the data feeds into the portal automatically. Mr. Alex Sandoval, of the Real Estate

Department, answered yes. Mr. Sandoval stated that the data can be updated weekly or quarterly. Mr. Acklin asked how this is different from ePropertyPlus. Ms. Straussman answered that the administrative work on this new database will be internal in keeping track of all paperwork associated with parcels, appraisals and development reports. Mr. Acklin asked if a baseline report would be helpful for each Council Member on the analytical side. Ms. Straussman answered that the Authority is hoping for that outcome from this investment. Mr. Ferlo asked if there will be a charge for the information gathered on this site. Mr. Sandoval answered that within the City of Pittsburgh, this system will be housed by the Authority, who will provide limited access to different organizations. Mr. Acklin asked if the land recycling information could be included in this system. Ms. Straussman answered that the idea for this system came from that project. Mr. Acklin asked how long will it take to access this system. Mr. Sandoval answered about three months, after the first payment is made. Mr. Ferlo is in favor of this system, but feels the annual fee should be divided among other City departments that will have access. Mr. Ferlo asked if this system has access to areas outside the City. Mr. Sandoval answered that the annual fee only covers the City of Pittsburgh. Mr. Ferlo believes that obtaining information from surrounding communities would be helpful for City of Pittsburgh projects.

Upon approval by Mr. Ferlo, seconded by Mr. Gainey and unanimously carried, the following resolution was adopted:

RESOLUTION NO. 100 (2017)

RESOLVED: That the acquisition of the Building Blocks cloud-based web application from OpportunitySpace, Inc., for an amount not to exceed \$15,000.00, payable from Leased Land Funds, is hereby approved, and the Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute an agreement therefor, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

Ms. Nikki Lu, of SEIU 32BJ, was present. Ms. Lu passed out the Urban Redevelopment Authority of Pittsburgh Prevailing Wage and Labor Peace Resolution. She had asked the Board to take action to enforce the City's Service Worker Prevailing Wage ordinance.

AGENDA "B"

The Members reviewed the items of Agenda "B" upon motion made by Mr. Lavelle, seconded by Ms. Hall-Russell, and unanimously carried the following resolutions were adopted:

FINANCE

1. Maier Duessel, Certified Public Accountants

RESOLUTION NO. 101 (2017)

RESOLVED: That amendment of the Agreement with Maier Duessel, Certified Public Accountants, dated January 8, 2014, for an increase of \$3,000.00, for specific audits required by the Department of Housing and Urban Development (HUD), payable from East Liberty Project Funds and HRLRFA funds, for a total Agreement amount not to exceed \$119,820.00, is hereby approved, and the Executive Director, Acting Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute an amendment therefor, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

REAL ESTATE

1. Larimer

RESOLUTION NO. 102 (2017)

RESOLVED: That issuance of a Certificate of Completion to Fiore of Pittsburgh, LLC for Block 124-J, Lot 19 (formerly Block 124-J, part of Lot 246), in the 12th Ward (commercial construction 429 Larimer Avenue (formerly 413 Larimer Avenue)), and the return of the Good Faith Deposit are hereby approved.

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



Assistant Secretary