



April 19, 2021

Via email: [planningcommission@pittsburghpa.gov](mailto:planningcommission@pittsburghpa.gov).

**RE: DCP-ZDR-2021-00265, FLDP Specially Planned District -11 Lower Hill Final Land Development Plan (FLDP) for new construction of a 26-story mixed use tower at the corner of Washington Place and Bedford Avenue. Lower Hill District, Council District 6**

Dear Planning Commission and Department of City Planning Staff:

On behalf of the Hill District's Development Review Panel (DRP) and the Hill Community Development Corporation (Hill CDC) as the RCO for the Greater Hill District, we offer this public comment on the **status of non-compliance** for the Lower Hill Block G1 and Block G4 Development proposals with regard to the **Greater Hill District Master Plan (GHDMP)** and the **Community Collaboration and Implementation Plan (CCIP)**. As well as a report on the **Development Activities Meeting (DAM)** held Monday, March 15<sup>th</sup>, which you all have hopefully reviewed the report from. It is important to note, that the development team has not yet responded to community feedback received from the DAM. Additionally, please note there have been no discussions with the community relative to any proposed changes to the PLDP or SPD should that be an important matter of consideration.

**Given this information and the details enumerated in the rest of this comment below, we do not think it is appropriate to move forward with scheduling their hearing at this time.** We are in a process of negotiations and believe that an agreement can be reached with some additional time. There are a series of proposals on the table, including from the Hill CDC incorporating feedback from the Executive Management Committee (EMC), DRP, and the DAM submitted on March 31, 2021 (*Please see attached, Exhibit A*). We attempted to meet with the Development Team on Friday, April 9, 2021 to discuss, but unfortunately a member of their team was not available.

In an April 8, 2021 response from the Development Team, out of 18 proposals from the Hill CDC submitted to improve alignment with the CCIP and the GHDMP:

- 13 were "Unmet and/or Unaddressed"
- 2 were "Partially Met"
- 1 was "Met"
- 2 unsolicited "Alternative Proposals" regarding the restructuring of payout of public money were offered and will be considered, but not in lieu of other requests such as a recurring revenue stream from private owners versus revenue streams from the public.

This feedback was provided in an April 12<sup>th</sup> response from the Hill CDC (*Please attached as Exhibit B*). We have submitted a new date and times to meet and discuss all proposals on the table. We are awaiting a response from the Development Team at the time of submission of this public comment.

### **DRP Project Status:**

In February of this year, we reported the status of noncompliance for Block G1 with respect to both the Greater Hill District Master Plan (GHDMP) and Community Collaboration and Implementation Plan ("CCIP") after receiving failing scores in April of 2020 and failing to make sufficient improvement in the areas where the proposal performed poorly to the Urban Redevelopment Authority (URA), the Mayor's Office, and other State and local officials. (*Please see attached Exhibit C*).

Despite the DRP's guidance that the development team was **rushing review**, the proposals had **not** demonstrated sufficient improvement, and thus weren't ready to present again, the Development Team **insisted** on returning to the DRP Committee to present. **They made a second presentation to the DRP in March 2021, at which time Block G1 failed to receive a passing score for a second time and Block G4 failed to receive a passing score for the first time.** When a failure occurs, the Hill CDC works together with the Developer to help them address stated concerns. On a rare occasion, a Developer may abandon the process all together and push their project through to regulators. In such cases, the Hill CDC will continue to advocate for the Developer to remedy concerns however needed. The most recent scores are as follows:

#### Block G1

GHDMP - **56% (E)**

CCIP - **47% (F)**

#### Block G4

GHDMP - **58% (E)**

CCIP - **48% (F)**

Specific to the CCIP, out of **66 action items** in the **7 focus areas and Greater Reinvestment Fund Funding Streams** the current proposal is only meeting **5 out of 66** for Block G1 and **7 out of 66** for Block G4. Below is a **breakdown** of the proposal's average score on a scale of 1 to 3 in each of the **CCIP Focus Areas**, as well as the **Greater Hill District Master Plan** for both Block G1 and Block G4.

DRP CCIP Scorecard Summary		
CCIP Focus Area	Block G1 Average Score	Block G4 Average Score
	3 - Exceeds community goals 2 - Meets community goals 1 - Does not meet community goals	3 - Exceeds community goals 2 - Meets community goals 1 - Does not meet community goals
Minority/Women Business Enterprise (M/WBE) Inclusion	1.57	1.41
Job Creation, Local Inclusion, and Workforce Development	1.43	1.46
Inclusionary and Homeownership Housing Programs	1.18	1.16
Communications, Reporting, and Tracking	1.17	1.15
Wealth Building Initiatives	1.55	1.67
Cultural and Community Legacy Initiatives	1.43	1.9
Coordinated Community Development Strategies	1.2	1.14
Greater Hill Reinvestment Fund, Funding Streams	1.53	1.33

DRP GHDMP Scorecard Summary		
Community Goals	Block G1 Average Score	Block G4 Average Score
	3 - Exceeds community goals 2 - Meets community goals 1 - Does not meet community goals	3 - Exceeds community goals 2 - Meets community goals 1 - Does not meet community goals
Builds Upon the African American Cultural Legacy	1.5	1.5
Housing Development Without Displacement	1	1.1
Economic Empowerment	1.72	1.53
Make the Hill a Green and Well-Designed Community	1.86	1.76
Mobility Transportation and Parking	1.72	2.05

As you will note, the Block G1 scores have dropped. When the DRP Committee peeled back the layers of promises and reviewed supporting documents and details (or lack thereof) over the last 10 months, it was more **evident** how short the projects are falling on community reinvestment. The recent **census tract boundary** change and new **Opportunity Zone** status have also raised the bar on the returns that must come back to the community now that we have been exposed to **increased pressures** of **gentrification** and **displacement** due to a lack of federal, state or local regulation. This plan does not further the socioeconomic standards for a project this scale and size. As such, there are serious equity concerns.

After debriefing with the DRP Committee, the Hill CDC met with the Development Team on March 24<sup>th</sup> to discuss their term sheet proposal and provide feedback. At that time, the Development Team informed us that there was nothing more they could financially do, but asked us to send ideas. The DRP, as well as the Executive Management Committee (EMC) have been providing ideas for the past 10 months that have yet to be implemented, however, as stated above, the Hill CDC provided additional proposals to them on March 31<sup>st</sup> taking into consideration feedback from the DAM, the DRP, and the EMC (*Exhibit A*).

The development team indicated they wanted to return before the DRP this month, but did not submit any documentation for the DRP to review prior to the meeting in order to determine whether there was sufficient improvement in the project since their second set of failed scores. As such, there was nothing for the Development Team to present or meet with the DRP on. This is the standard DRP process for projects that are not in alignment with community plans – in this case both the CCIP and the GHDMP. This process has been communicated to the Development Team's legal counsel as well as

members of the Development Team repeatedly over the last 10 months. **We are frequently in receipt of misleading and false communications about the DRP process from this Development Team.** Following the DRP meeting, the Development Team submitted a letter responding to additional proposals from the Hill CDC as well as an EMC Board member. This is referenced above as the response from April 8<sup>th</sup>. **As such, progress was stalled at the DRP level.**

Lastly, I will note that the Development Team has requested and/or attended a series of meetings with the DRP. As you can see in their submission, they have been counting each one. However, these meetings have been largely unproductive at the fault of the Development Team and have been the Development Review Panel taking the time to repeat themselves. **I don't want the Commission to be misled that the number of meetings equates to extensive engagement and actual response to the community.** As you can see, the feedback has been largely unimplemented or responded to.

### **RCO Project Status and Development Activities Meeting:**

On **March 15<sup>th</sup>** the Hill CDC hosted a Development Activities Meeting (DAM) for Block G1 and Block G4 at the objection of the Hill CDC, the RCO, as well as the DRP Committee due to the lack of compliance with our community plan and the community benefits agreement for the Lower Hill site. The Hill CDC had about **200 attendees** on Zoom. The meeting was also live streamed to Facebook and has been viewed over **800** times. The meeting lasted over **3 hours**. At this meeting the Development Team received substantial pushback on the project and the process in which they are going about advancing the project. In fact, there was **not one** positive comment. Please see a sample of comments below.

"This looks like another downtown building with no impact for the residents of the Hill District." - Letha

"Commercial space beyond kiosks is very important." - LaKeisha Wolf

"They need an investment in a people strategy that builds first & second generational wealth." - Ron Perkins

"If you are looking for comfort and buy-in from the RCO, the DRP, Hill District citizens, organizations and supporters, in terms of your commitments, why would you go to the Pittsburgh Planning Commission BEFORE getting buy-in from all of these partners? Are you in position to get solid WRITTEN COMMITMENTS for implementation of ALL that has been committed over the past several years, and to have the Penguin's commitments solidified? There is a history here of too many broken promises." - Tim Stevens

"This plan should not move forward until 100 percent of the promises made are followed through on! Each of these stakeholders have failed to keep their promises! The rush is part of their strategy of the firm they hired after project was stalled. Catches anybody in opposition off guard...then allows the firms to forge forward." - Ikhana

"You say you signed the CCIP and will sign the Term Sheet. Will they be attached to the Development Plan or are you asking the community to have faith that you will uphold the terms of the agreement? If any Community Agreement is not attached to the Planning Documents and made part of the record, it has no teeth, no ability to enforce at Planning or in Court."

- Wrenna Watson

"Regardless of your proximity or affinity for a certain neighborhood, it does not give you room to implement nor does it give you points for a flawed plan. Continuously relating to the neighborhood as a part of this presentation is disingenuous at best, sensational at worst."

- Samantha Black

"Yes, design is beautiful. Yes, honoring the Hill District ancestors, precious. But mostly sounds the same as all other redevelopment that has happened in the Hill. [Your Plan] involves more emphasis on the glitz and glam and how it looks as opposed to the meat and potatoes of how the current residents and businesses in the Hill will be able to benefit from these plans or afford these spaces." - Geraldine

"It doesn't appear to me from the discussions I have been hearing tonight that beyond the small enclave of folks that are engaged in professional services; it almost appears as if it is a shut gate. Is there really a true intent to engage other professionals that submitted to the request for qualifications?" - Frederick Douglas

"This is about strategy and about putting pen to paper and making a contract. What are you all contractually willing to do to sign monetarily that will bring dollars to the Hill District and the residents of the Hill long term. Long term, not two years, not one year, not transient kiosks. Not beautiful landscapes. Not steps to a neighborhood. Real dollars that will change lives, that will improve communities, because black people have been lied to for decades and for centuries and have been told very flowery words."

- Kaiya Price Dennis

As mentioned above, the Development Team has not yet responded to this feedback. I thank you for your time and consideration of the following status update, information, and requests.

### **The Role of the Hill CDC, DRP, and RCO:**

The mission of the Hill CDC is to work in partnership with residents and stakeholders to create, promote, and implement strategies and programs that connect plans, policies, and people to drive compelling community development opportunities in the Greater Hill District. The Hill CDC is responsible for facilitating the implementation of the Greater Hill District Master Plan, specifically addressing any community concerns regarding redevelopment and economic opportunities in the area.

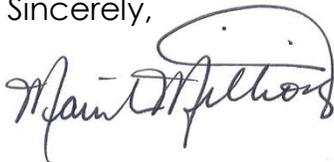
**The DRP is the Hill District's unified and comprehensive community review process that gives every Hill District resident a voice in the redevelopment of their neighborhood. It is a partnership with six (6) Hill District Community Based Organizations:** Hill Community Development Corporation (Hill CDC), Hill District Education Council (HDEC), Hill District

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Ministers Alliance (HDMA), Uptown Partners, Hill District Consensus Group (HDCG) and the Center that Cares that streamlines community level review while assuring transparency and sufficient community feedback. This process is facilitated by the Hill CDC Programs and Policy Manager.

**The Hill CDC is also the Registered Community Organization (RCO) for the Greater Hill District, the boundaries of which are defined by the GHDMP.** This project is included in that geographic boundary. **§ 178E.07 RESPONSIBILITIES OF COMMUNITY ORGANIZATIONS** of the RCO Ordinance, requires the RCO to establish both “orderly and democratic means for forming representative public input” and a “clear method for reporting to the city, actions which accurately reflect the community’s position.” **The Hill District community has already established both of these requirements in our community review process and has integrated it with the RCO regulatory requirements.** The Hill CDC, in fact, included the DRP process in our RCO application and have communicated to our community that this is the process we would follow to ensure transparency and sufficient implementation of community vision and goals.

Sincerely,



Marimba Milliones  
President and CEO

Cc:  
State Representative Jake Wheatley  
Daniel Gilman, Mayor’s Office  
Councilman Lavelle

# **EXHIBIT A:**

**Hill CDC Additional Proposals to  
Development Team Incorporating  
EMC, DRP, and DAM Feedback –  
March 31, 2021**



## HILL CDC ADDITIONAL PROPOSAL IDEAS FOR BLOCK G1 AND BLOCK G4

To: Lower Hill Development Team

Sent via e-mail: [wsittig@sittigcortese.com](mailto:wsittig@sittigcortese.com), [cbuccini@bpgroup.net](mailto:cbuccini@bpgroup.net), [Amachie@claycovecapital.com](mailto:Amachie@claycovecapital.com), [SemachkoB@fnb-corp.com](mailto:SemachkoB@fnb-corp.com), and [kacklin@pittsburghpenguins.com](mailto:kacklin@pittsburghpenguins.com)

**RE: Block G1 and Block G4 Community Benefits and Reinvestment**

Good Afternoon,

At our meeting last week to discuss the second set of failed scores for the alignment of Block G1 and Block G4 against the Greater Hill District Master Plan ("GHDMP") and the Community Collaboration and Implementation Plan ("CCIP"), the Development Team expressed that there is nothing more you can do financially, but to send our ideas. In the spirit of partnership, the Hill CDC has put its experience and creativity to work along with community feedback from the Development Activities Meeting held on March 16<sup>th</sup>, Development Review Panel ("DRP") Committee Member feedback, and Executive Management Committee ("EMC") Member feedback. Please accept the attached summary term sheet of comments, ideas, and additional proposals as a basis for negotiation.

We are available **Friday, April 9th at 8:00 AM** to discuss. We appreciate your time and attention and await your response.

Sincerely,

A handwritten signature in black ink, appearing to read "Marimba Millions".

Marimba Millions  
President and CEO

CC: Congressman Doyle

Senator Fontana  
Representative Wheatley  
Mayor Peduto  
Councilman Lavelle  
Mary Conturo  
Greg Flisram

## Lower Hill Phase I - Community Reinvestment Summary Term Sheet

	Public Benefit	Reinvestment Projection			Hill CDC (Consolidated with EMC, DRP and DAM Comments)		
		Block G1 – FNB Tower	Block G4 - Green Open Space	Total	Comments on Original Proposal	Additional Proposals	
						Development Team	Government
<b>LERTA (50% Share of Tax Abatement)</b>	The Greater Hill Reinvestment Fund (GHRF) will receive 50% of the LERTA generated over a 10- year abatement period. FNB Bank has committed to monetize the future 10 years of payments for Block G so a payment to the Reinvestment Fund can be made at financing closing.	\$7,500,000 (estimated)			The LERTA Commitment was secured by the Hill CDC's settlement agreement in 2015. The upfront capitalization, while a benefit, will be repaid with tax dollars and should be removed from the total investment as this is misleading. In addition, it appears the LERTA has been reduced by \$500K. It was originally presented as \$16 million (\$8 million to Greater Reinvestment Fund and \$8 million to infrastructure on development site). The term sheet now lists \$7,500,000.		
	Development team to pay closing costs for the LERTA (legal, title, etc.)	\$250,000			The developer chose to capitalize the loans upfront. Previously, the development team wanted the community to cover the loan costs and reduce their LERTA.		
<b>Parking Tax Diversion (PTD)</b>	The Greater Hill Housing Stabilization Fund will receive 25% of parking taxes (i.e. Parking Tax Diversion) generated over a period of 20 years from and after the opening of each structured parking garage. FNB Bank has committed to monetize the future 20 years of payments so a payment can be made at financing closing.	\$3,000,000 (estimated)			The community only receives 25% of the parking taxes, the developer will receive 75% to support their redevelopment costs. Parking Taxes are public dollars and should be more equitably reinvested. Parking Taxes fund the City's pensions. As with the LERTA this is guaranteed to be repaid with tax dollars. In addition, the fund this references will be held and administered by the Urban Redevelopment Authority, where there is currently no community control.	Developer reduces their share of Parking Tax Diversion Revenue from 75% to 50%	City Council passes the ordinance requiring that the Parking Tax Diversion is shared 50/50 as is the LERTA  PTD funds are administered by the same Greater Hill District Development Growth Fund Advisory Board held at the URA.
	Participating in the Centre Ave YMCA project with \$2.2 million HTCs, construction loan and \$750k	\$3,000,000 (estimated)		\$3,000,000 (estimated)	This is a previous commitment from a project that was made prior to FNB announcing relocating their headquarters to the Lower Hill site. See <a href="https://triblive.com/local/pittsburgh-alleggheny/officials-planning-7-4-million-renovation-of-historic-pittsburgh-ymca-building/">https://triblive.com/local/pittsburgh-alleggheny/officials-planning-7-4-million-renovation-of-historic-pittsburgh-ymca-building/</a>		

<b>FNB Community Investments</b>	FNB is evaluating projects in the Hill to fund housing and mixed-use initiatives with minority developers in the form of loans, equity and tax credit investments. In the past few months, FNB has issued 8 senior loan term sheets (additional pending) for a total of \$8.8 million in the Greater Hill.	\$8,800,000		\$8,800,000	These are unclosed loans. Please note, FNB's primary business is that of providing loans. This reinvestment begs the question of what is unique about these loans which are largely a part of their standard business operation without special interest rates which wealthier communities often enjoy. FNB has indicated that they are pushing underwriting limits and experience req., and will extend repayment when appropriate and possible. FNB must also comply with the Community Reinvestment Act regulations, which requires that they provide loans to LMI communities, like the Hill, and to minority groups and low-moderate income persons. A motivation for increased commitment is because a recent study indicates that many financial institutions are failing the African American community in the Pittsburgh area. FNB ranked 8th among lenders both to the African American Community and in Minority Neighborhoods in Pittsburgh. See <a href="https://cdn.website-editor.net/9058dd8bd18f47dba65799e9a1c1541b/files/uploaded/FederalReserve_FINAL3.pdf">https://cdn.website-editor.net/9058dd8bd18f47dba65799e9a1c1541b/files/uploaded/FederalReserve_FINAL3.pdf</a> . Additionally, we are concerned that the new office tower will be counted as community reinvestment since the Lower Hill's census tract was adjoined to a low income Middle Hill census tract. FNB	Investments from FNB should be 50% loans and 50% grants to assure project viability and support to low-wealth organizations, businesses and persons. Other owners can contribute to the grant funding, as FNB is doing more investment than the other private partners.	
	Proposals pending for over \$5 million in tax credit investments	\$5,000,000 (estimated)		\$5,000,000 (estimated)	These are standard deals for banks. The tax credit is a benefit to the bank in that they can meet their CRA obligations while securing a new deal for their bottom line. Terms are what matter here. FNB could provide a higher percentage commitment to every dollar on tax credit deals and could couple their investments with ideal loan terms and gap grants. Counting these investments as driven by the Lower Hill project when this is a very competitive environment for bank investors in general requires re-evaluation of this a specific reinvestment.	Investments from FNB should be 50% loans and 50% grants to assure project viability	
<b>Developer Gap Financing</b>	Development team will provide up to \$400,000 of gap equity required to close first phase of projects that FNB / URA are underwriting in the Greater Hill.	\$400,000		\$400,000	Excellent, but additional funding is necessary. This would only be sufficient for one deal on Centre Ave.	See above. Note that Development Partners beyond FNB need to pitch in.	
<b>Open Space</b>	Development team is building 3.5 acres of open space		\$2,500,000	\$2,500,000	According to the term sheet this open space will be privately owned. While this amount of space exceeds their requirements under the PLDP, developing open space that is privately owned is not community reinvestment.	Since the Development Team has expressed interest in gifting the land, work with the Hill CDC, Pittsburgh Downtown Partnership, and Ujamaa Collective to own and operate the Green Space.	

<b>Opportunity Zones (Category Added by Hill CDC)</b>							Local Government Pass legislation that protects Opportunity Zones from the impacts of Gentrification and Displacement
						Percentage of Total amount raised for Opportunity Zone Fund designated to qualifying investments above Crawford Street	
						Opportunity Zone Investment Fund should have 50% Community Board that makes investment decisions for qualifying investments.	Local Government Pass legislation that requires shared decision making with communities for Opportunity Zone investments. Community is defined by those who live and or work in the qualified Opportunity Zone census tract.
							Work with the Hill CDC to do Inclusionary Zoning Overlay for the Hill District to ensure long term affordable residential and commercial opportunities in an accelerated market.
<b>CCIP</b>							
<i>Focus Area 1 / M/WBE Inclusion</i>	Developer has built and will implement the attached MWBE plan	\$2,100,000		\$2,100,000			
	Targeting 30% MBE and 15% WBE participation in project						
	Developer has achieved the 30%/15% target on first \$5 million of pre-development contracts that have been executed						
	Developer hired eHoldings, a qualified 3rd party MWBE consultant, to maximize MWBE plans/contracts/participation for the Project						
	Vet and hire local and regional MWBE certified contractors and consultants within growing database built and managed by Developer						
						Provide new hire commitments (including first source) anticipated for FNB and other tenants. Hiring commitments should be made for lower, mid and executive level hires.	

<i>Focus Area 2 / Local Inclusion / Workforce Development</i>	Developer/PAR has an agreement with Partners4Work to establish a jobs training program to better connect Hill District residents to Project employment opportunities including Intro to the Trades pre-apprenticeship classes aligned with the construction schedule and job training programs connecting applicants to future building service and hospitality jobs	\$150,000		\$150,000	The CCIP speaks to low, mid, and upper tier jobs. Construction, hospitality, and building service jobs do not meet the requirements of the CCIP.	Tenants should engage in a first source hiring goal of 10%. This goal should be met over a period of five years and retained or exceeded thereafter.	
						Fully fund a Lower Hill District Job Center in the Hill House building to assure access and availability of jobs by Hill District residents	
<i>Focus Area 3 / Inclusionary Housing</i>	Residential is being developed by another developer (Intergen)						
	FNB monetizing the Parking Tax Diversion for the Housing Stabilization Fund – see above						
<i>Focus Area 4 / Communication and Tracking</i>	Commitments as per CCIP compliance and communication requirements						
	Development team will continue using multiple channels for outreach and regular reporting including website updates, regular public meetings, newsletters, social media, etc.						
	Clay Cove Capital, a minority owned business, has made a multi-million-dollar investment in the Project	TBD			We are unable to evaluate whether this level of investment meets the CCIP minimum requirement of 25% MBE ownership due to the actual dollar amount not being disclosed. In addition, Clay Cove Capital is an investment fund with undisclosed investors. We are not sure how the firm's minority ownership satisfies the spirit of this CCIP provision, as it was intended to generate wealth building opportunities locally first and foremost.	Establish a Crowdsourcing option for low-mod income persons to invest in a holding company that will syndicate sufficient capital to invest in the overall project. Minimum investment should be \$100 with a goal of get 10,000 investors for holding company to meet \$1,000,000 investment threshold for Clay Cove Capital.	
	Developer hired Bomani Howze, Hill District resident, as VP of Development for the Project						

Focus Area 5 / Wealth Building

<p>FNB will assist with overall wealth-building goals by offering financial literacy programs throughout the Greater Hill District and expanding its programs with the Hill District Federal Credit Union (HDFCU) as per the FNB Community Impact Plan that is part of the Take Down submission</p>				<p>FNB has been the holder of the Hill District Federal Credit Union accounts since 2017 when another financial institution ended their business relationship with the credit union. Their work with them could be considered a usual practice. See here: <a href="https://www.post-gazette.com/business/money/2017/07/26/Hill-District-credit-union-PNC-closes-accounts/stories/201707250025">https://www.post-gazette.com/business/money/2017/07/26/Hill-District-credit-union-PNC-closes-accounts/stories/201707250025</a>.</p>		
<p>FNB has invested \$100,000 in the Hill District Federal Credit Union</p>	<p>\$100,000</p>		<p>\$100,000</p>	<p>FNB has been the holder of the Hill District Federal Credit Union accounts since 2017 when another financial institution ended their business relationship with the credit union. Their work with them could be considered a usual practice. See here: <a href="https://www.post-gazette.com/business/money/2017/07/26/Hill-District-credit-union-PNC-closes-accounts/stories/201707250025">https://www.post-gazette.com/business/money/2017/07/26/Hill-District-credit-union-PNC-closes-accounts/stories/201707250025</a>. In addition, the terms of investment are unclear.</p>		
<p>Development team will collaborate with non-profits like the Riverside Center for Innovation (RCI) to offer programs to help growing M/WBE firms build critical capacity for contracting and expansion. FNB has funded Back Office Support through RCI for Hill Businesses</p>	<p>\$50,000</p>		<p>\$50,000</p>			
<p>Developer secured \$500,000 for small business kiosks in the open space to be operated by minority and women owned small business in concert with entrepreneur incubation initiatives</p>		<p>\$500,000</p>	<p>\$500,000</p>	<p>Based on the language "secured" it is unclear as to the source of this \$500,000 commitment. Based on the language "operated" these small spaces will not be owned by the small businesses, which limits the opportunity here. These kiosks, which are temporary structures, can be removed. What is the sustainability of these? What do operations look like down the road to guarantee that they won't be removed from the site?</p>		
					<p>Three floors of tower should be made available for ownership by the Hill District Community Land Trust, Non Profits and/or MBE owners with a specific focus on Black owned businesses. This can be achieved through a commercial condo model. This space should be focused on attracting, developing and retaining Black professional services firms who would otherwise would take decades to secure sufficient wealth to make such an investment towards ownership.</p>	

							URA to work with Ujamaa Collective to relocate to a location of their choice. Provide funding for technical assistance and subsidize space or grant funding to support their ongoing presence and growth in the Hill District.
						Baby Bonds for every Hill District child under the age of 5 - terms to be negotiated.	
Focus Area 6 / Culture and Legacy	Developer hired local historian (Dr. Kimberly C. Ellis) to inform landscape architects, design firms and art curators of the African American history and culture of the Lower and Greater Hill District				Other than hiring Dr. Ellis, it is unclear the specific plan to meet the CCIP here on BOTH Block G1 and Block G4. Right now the plan has sidelined the community to greenspace with limited opportunities.	Develop Curtain Call in this phase of the project with community input on final location. Penguins and development team to close the financial gap as commitment in prior phases.	
						Reduce rent in FNB Tower for existing Hill District businesses to \$16 per sq ft for lease versus the current projected rate of \$30 per square foot. Especially first floor retail space.	
	LERTA monetization and Developer Gap Financing – see above				See comments above		
	FNB is evaluating a series of investments in critical development projects in the Middle and Upper Hill, subject to FNB regulatory and lending approvals – see above				See comments above		
	FNB has made \$525,000 in recent philanthropic donations to organizations dedicated to the advancement of the Middle and Upper Hill (\$200,000 addressed above with HDFCU, etc.) - Ammon Community Recreation Center (\$50,000), HDFCU (\$100,000), Hill CDC (\$100,000), Poise Foundation (\$50,000), Neighborhood Allies Centralized Real Estate Accelerator (\$50,000), Neighborhood Allies Real Estate Co-Powerment Series (\$25,000), Rebuilding Together Pittsburgh (\$50,000), Riverside Center for Innovation (\$50,000), Point Park University (\$50,000)				\$225,000 of the \$525,000 went to organizations that are not based in the Hill District and serve the entire region. An additional \$50,000 to Riverside Center for Innovation was already counted above in Focus Area Five (wealth building). This item is misplaced in that category, but is the result of the development team's failure to align their commitments with the specific action items of the CCIP. The investment in the Hill District Federal Credit Union was also already counted above, however it is listed at only \$100,000 not \$200,000. So, the new Hill District related investment is \$100,000 to the Hill CDC to support affordable commercial space on the first floor of the New Granada Apartments. Much like the credit union, the Hill CDC has a longstanding relationship with First National Bank and has been engaged in discussions about our developments prior to FNB announcing the relocation of their headquarters to the Lower Hill.		

*Focus Area 7 /  
Coordinated  
Development  
Strategies*

Developer is funding (for a period up to one year from the effective date) grant writing services to pursue possible infrastructure grants for improvements along the Centre Avenue Corridor and related infrastructure projects			\$25,000	Hill CDC is grateful for the offer, but the CCIP requires joint applications for government applications. This is especially promising with the new focus on infrastructure investments from the current administration. They are also focused on equity in redevelopment. <a href="https://www.washingtonpost.com/us-policy/2021/03/31/biden-pittsburgh-infrastructure/">https://www.washingtonpost.com/us-policy/2021/03/31/biden-pittsburgh-infrastructure/</a>	Stick with the CCIP standard.	
The G4 parcel will be developed as part of a destination public open space that benefits the entire community, complementing the overall open space master plan that exceeds PLDP requirements Community Development Strategies. – see above						
					FNB to work in partnership with the Hill CDC to establish a Guaranty Fund to increase minority led organization and business ownership in real estate development.	
						City to relocate or rehouse Zone Two police station by including its relocation in the City of Pittsburgh 2022 capital budget. Work with Hill CDC on <del>redevelopment of the site</del>
						City and State support full RACP funding to Hill District based non-profits and MBEs over additional investment in Lower Hill District site
						City to partner with Hill CDC to apply for HUD Section 108 program for structured parking and infrastructure for Centre Avenue, and other commercial development needs.
						URA to work with Bethel AME, which was displaced from the Lower Hill site, and provide direct relief and investment into their needs and initiatives

<i>Greater Hill Reinvestment Fund Recurring Revenue Streams (Category Added by Hill CDC - in CCIP)</i>						Invest 5% annually from ticket sales of owner establishments on or off the site and parking revenue from the site into Middle and Upper Hill Commercial Corridor redevelopment efforts, especially Centre and Herron Avenues.	
	<b>Total:</b>	\$30,675,000	\$3,000,000	\$33,675,000		<b>TBD</b>	<b>TBD</b>

# **EXHIBIT B:**

**Hill CDC Response to Development  
Team's April 8<sup>th</sup> Counterproposal –  
April 12, 2021**



April 12, 2021

Dear Mr. Buccini and Mr. Ackah:

Your response on behalf of BPG and Clay Cove Capital is very much appreciated. Per my unanswered request for clarification, I remain unclear as to whether you are formally responding for the entire Development Team. To be clear, this response assumes that is the case.

All parties involved realize that development of this scale, particularly during this time, is a challenge. Similarly, I am certain that you appreciate the significance of proper reinvestment to honor the Hill District community and the tremendous market pressures that this development will introduce to our neighborhood and City – especially with the recent census tract change. This development is certain to cause extensive gentrification, and potentially rampant displacement of Black residents if proper measures are not taken. With that noted, we have reviewed your response to our March 31<sup>st</sup> document and offer another round of feedback for your review and reconsideration.

As you requested on March 24<sup>th</sup>, the Hill CDC offered 18 implementable enhancements to the Development Team and 9 enhancements to Government. Of the recommendations that could improve the performance of your project against the CCIP:

- 13 were “Unmet and/or Unaddressed”
- 2 were “Partially Met”
- **1 was “Met”**
- 2 Unsolicited “Alternative Proposals” regarding the restructuring of payout of public money were offered and will be considered, but not in lieu of other requests such as a recurring revenue stream from private owners versus revenue streams from the public.

Please be mindful that the Development Team continues to rank poorly when measured against the CCIP. Currently, your score is 5 out of 66 for Block G1 and 7 out of 66 for Block G4. Your repeated submission of the same or slightly revised plans is becoming an increasing cause for concern among many involved stakeholders particularly given the anticipated development timeline. I strongly urge the Development Team to reconsider and adopt a more responsive and creative approach to the matters at-hand. Hill CDC, with input from

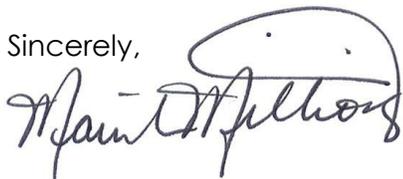
stakeholders, has done the lion's share of thinking through feasible enhancements that the Development Team can utilize and implement in the attached document. We have offered many viable solutions and we need to bring these matters to a close if there is not going to be an increased effort to thoroughly address the matters presented for improvement. In the context of Block G1 and Block G4's low ranking against the CCIP, it would seem prudent to fulfill more of the recommendations herein as we are offering only 18 benchmarks to achieve versus 66. One might consider this an extraordinary attempt to help move the development forward, but the Development Team must respond in-kind.

As you know, time is of the essence, so we are providing timely feedback so you can improve your plan in an equally timely fashion. It is our hope that you will take the specific recommendations offered more earnestly such that you are demonstrating best efforts towards collaboration with key stakeholders.

Once again, the Development Team is encouraged to refrain from leaking curated content to the press and elected officials in an attempt to gain public favor, but rather allow key stakeholders to build trust and forge a stronger path towards implementation without the interruptions that come with several articles and misguided inquiries per week. As long as the Development Team promotes a one-sided story to the public, the Hill District community is forced to respond with a fuller story. This back and forth can be counterproductive. Quite frankly, the public has witnessed this project with its many ups and downs for over a decade, I am certain they have already established their own opinion of where the challenge lies. I am concerned that the Development Team is causing further harm to the project in an already tenuous development and leasing environment. Please consider this perspective as you see fit to achieve our mutual goals – and we hope you will relay this sentiment to all members of your team.

I look forward to hearing back from you as soon as possible so that we can reach agreement and collaboratively push this project forward. Your Counsel is in receipt of several proposed dates for a follow-up, and hopefully, final discussion.

Sincerely,



Marimba Milliones  
President & CEO

**Lower Hill Phase I - Community Reinvestment Summary Term Sheet**

	Hill CDC Additional Proposals taking into consideration DRP, EMC, and DAM feedback		Hill CDC Comments to the Developer's Responses to Additional Proposals	
	Development Team	Government	Development Team <i>(Met only 1 out of 18 requests)</i>	Government <i>(Tentative Agreement Reached)</i>
<b>LERTA (50% Share of Tax Abatement)</b>	None.	None.	Counterproposal outlines upfront versus multi year disbursement of public money. Development Team has not met CCIP goal to provide recurring funds to the Greater Hill Reinvestment Fund beyond public dollars. A partnership with Hill CDC and other community members on Opportunity Zone fundraising could meet this goal, however, current proposal excludes community leadership. (Payout terms on LERTA to be determined)	
<b>Parking Tax Diversion (PTD)</b>	Developer reduces their share of Parking Tax Diversion Revenue from 75% to 50%	City Council passes the ordinance requiring that the Parking Tax Diversion is shared 50/50 as is the LERTA  PTD funds are administered by the same Greater Hill District Development Growth Fund Advisory Board held at the URA.	Met - Developer agreed to full proposal (Payout to be determined)	
<b>FNB Community Investments</b>	Investments from FNB should be 50% loans and 50% grants to assure project viability and support to low-wealth organizations, businesses and persons. Other owners can contribute to the grant funding, as FNB is doing more investment than the other private partners.		Unmet	
	Investments from FNB should be 50% loans and 50% grants to assure project viability		Unmet	
<b>Developer Gap Financing</b>	See above. Note that Development Partners beyond FNB need to pitch in.		Unmet and unaddressed	
<b>Open Space</b>	Since the Development Team has expressed interest in gifting the land, work with the Hill CDC, Pittsburgh Downtown Partnership, and Ujamaa Collective to own and operate the Green Space.		Unmet - Developer has instead decided to suggest forming a new non-profit in the Hill District, which is not a best use of capital or human resources.	
<b>Opportunity Zones (New Category based on response documents)</b>		Local Government Pass legislation that protects Opportunity Zones from the impacts of Gentrification and Displacement		
	Percentage of Total amount raised for Opportunity Zone Fund designated to qualifying investments above Crawford Street		Alternate proposal. Development Team instead proposed to establish a separate OZ fund with no community involvement or representation. They are also proposing the same leadership for the OZ Fund exclusive to the Development Team with whom the community is currently in difficult negotiations. This structure is not only undesirable but unacceptable, especially because of the parties' role in the change of the Census Tract without community input. It is also important to note that community members would be unlikely to be able to participate in the Opportunity Zone fund, because they don't have capital gains tax liability.	
	Opportunity Zone Investment Fund should have 50% Community Board that makes investment decisions for qualifying investments.	Local Government Pass legislation that requires shared decision making with communities for Opportunity Zone investments. Community is defined by those who live and or work in the qualified Opportunity Zone census tract.	Unmet	
		Work with the Hill CDC to do Inclusionary Zoning Overlay for the Hill District to ensure long term affordable residential and commercial opportunities in an accelerated market.		
<b>CCIP FOCUS AREAS</b>				
<b>Focus Area 1 / M/WBE Inclusion</b>	See additional ideas under Wealth Building.			
	Provide new hire commitments (including first source) anticipated for FNB and other tenants. Hiring commitments should be made for lower, mid and executive level hires.		Unmet and unaddressed	

<b>Focus Area 2 / Local Inclusion / Workforce Development</b>	Tenants should engage in a first source hiring goal of 10%. This goal should be met over a period of five years and retained or exceeded thereafter.		Unmet and unaddressed	<b>Tentative Agreement reached on all additional proposals</b>
	Fully fund a Lower Hill District Job Center in the Hill House building to assure access and availability of jobs by Hill District residents		Partially Met - Lack of clarity around terms of lease for space, staffing, and programming	
<b>Focus Area 3 / Inclusionary Housing</b>				
<b>Focus Area 4 / Communication and Tracking</b>				
<b>Focus Area 5 / Wealth Building</b>	Establish a Crowdsourcing option for low-mod income persons to invest in a holding company that will syndicate sufficient capital to invest in the overall project. Minimum investment should be \$100 with a goal of get 10,000 investors for holding company to meet \$1,000,000 investment threshold for Clay Cove Capital.		Unmet Invited community members to invest in a crowd sourcing manner, however sited significant SEC rules with no clarity on how they will address barriers and implement. As mentioned above, it is unlikely that community members will be able to invest in an OZ fund due to lack of capital gains tax liability. In addition, their counter proposal limits community member investments to the OZ fund, which it appears will only invest off the Lower Hill site, rather than Clay Cove Capital, which has ownership and is making an investment in Block G1.	
	available for ownership by the Hill District Community Land Trust, Non Profits and/or MBE owners with a specific focus on Black owned businesses. This can be achieved through a commercial condo model. This space should be focused on attracting, developing and retaining Black professional services firms who would otherwise would take decades to secure sufficient wealth to make such an investment towards		Unmet and unaddressed	
		URA to work with Ujamaa Collective to relocate to a location of their choice. Provide funding for technical assistance and subsidize space or grant funding to support their ongoing presence and growth in the Hill District.		
	Baby Bonds for every Hill District child under the age of 5 - terms to be negotiated.		Unmet and unaddressed	
<b>Focus Area 6 / Culture and Legacy</b>	Develop Curtain Call in this phase of the project with community input on final location. Penguins and development team to close the financial gap as commitment in prior phases.		Partially met. Developer did not agree to get community input on final location. DRP did not tell Development Team to relocate the Curtain Call; instead the Development Team proposed it and asked to attend a DRP meeting to discuss. The Development Team has yet to provide funding to deliver it anywhere.	
	Reduce rent in FNB Tower for existing Hill District businesses to \$16 per sq ft for lease versus the current projected rate of \$30 per square foot. Especially first floor retail space.		Unmet and unaddressed	
<b>Focus Area 7 / Coordinated Development Strategies</b>	Stick with the CCIP standard.		Unmet. Developer stated they would only follow the CCIP where "feasible" and rather than addressing the 5 bullet points as to why the grant was not awarded, blamed a community partner. The reasons for denial by EDA were as follows: "(1) The scope of work is not clearly defined, (2) The ownership structure of the land to be improved is not clear, (3) The overall timeline is extremely aggressive and is at odds with an overall time horizon of structures that extends to 45 months (4) The economic analysis is out-of-date, completed in 2010, which calls into question the validity of job and PI estimates, and (5) The available project funding calls into question the need for EDA participation."	
	FNB to work in partnership with the Hill CDC to establish a Guaranty Fund to increase minority led organization and business ownership in real estate development.		Unmet and unaddressed	

		City to relocate or rehouse Zone Two police station by including its relocation in the City of Pittsburgh 2022 capital budget. Work with Hill CDC on redevelopment of the site.		
		City and State support full RACP funding to Hill District based non-profits and MBEs over additional investment in Lower Hill District site		
		City to partner with Hill CDC to apply for HUD Section 108 program for structured parking and infrastructure for Centre Avenue, and other commercial development needs.		
		URA to work with Bethel AME, which was displaced from the Lower Hill site, and provide direct relief and investment into their needs and initiatives		
<b><i>Greater Hill Reinvestment Fund Recurring Revenue Streams (See CCIP regarding this item.)</i></b>	Invest 5% annually from ticket sales of owner establishments on or off the site and parking revenue from the site into Middle and Upper Hill Commercial Corridor redevelopment efforts, especially Centre and Herron Avenues.		Unmet - Development Team proposed rearrangement of LERTA dispersment as opposed to providing the ongoing revenue stream beyond public money. In the CCIP, the LERTA, regardless of how it is dispersed, is separate from recurring revenue streams.	

# **EXHIBIT C:**

**Status of Non Compliance Memo to  
the URA, Mayor's Office, and other  
State and Local Elected Officials**



February 11, 2021

URA Board Members:

Chair Sam Williamson  
Rep. Ed Gainey  
Councilmen Daniel Lavelle  
Lindsay Powell  
Jodi Hirsch

URA Executive Staff:

Greg Flisram, Director  
Diamonte Walker, Deputy Director

Via email: [daniel.lavelle@pittsburghpa.gov](mailto:daniel.lavelle@pittsburghpa.gov); [lindsay.powell@pittsburghpa.gov](mailto:lindsay.powell@pittsburghpa.gov);  
[jodi@sequalconsulting.com](mailto:jodi@sequalconsulting.com); [egainey@pahouse.net](mailto:egainey@pahouse.net); [swilliamson@seiu32bj.org](mailto:swilliamson@seiu32bj.org);  
[gflisram@ura.org](mailto:gflisram@ura.org); [dwalker@ura.org](mailto:dwalker@ura.org); [publiccomment@ura.org](mailto:publiccomment@ura.org)

**RE: Lower Hill Block G1 Status of Non-Compliance with CCIP and GHDMF**

Dear URA Board and Executive Staff:

On behalf of the Hill District's Development Review Panel (DRP) and the Hill Community Development Corporation (Hill CDC) as the RCO for the Greater Hill District, we offer this update letter of the **status of non-compliance** for the Lower Hill Block G1 Development proposal with regard to the Greater Hill District Master Plan (GHDMF) and the Community Collaboration and Implementation Plan (CCIP).

**The Role of the Hill CDC, DRP, and RCO:**

The mission of the Hill CDC is to work in partnership with residents and stakeholders to create, promote, and implement strategies and programs that connect plans, policies, and people to drive compelling community development opportunities in the Greater Hill District. The Hill CDC is responsible for facilitating the implementation of the Greater Hill District Master Plan, specifically addressing any community concerns regarding redevelopment and economic opportunities in the area.

**The DRP is the Hill District's unified and comprehensive community review process that gives every Hill District resident a voice in the redevelopment of their neighborhood. It is a partnership with six (6) Hill District Community Based Organizations:** Hill Community Development Corporation (Hill CDC), Hill District Education Council (HDEC), Hill District Ministers Alliance (HDMA), Uptown Partners, Hill District Consensus Group (HDCG) and the Center that Cares that streamlines community level review while assuring transparency and sufficient community feedback. This process is facilitated by the Hill CDC Programs and Policy Manager.

**The Hill CDC is also the Registered Community Organization (RCO) for the Greater Hill District, the boundaries of which are defined by the GHDMF.** This project is included in that geographic boundary. **§ 178E.07 RESPONSIBILITIES OF COMMUNITY ORGANIZATIONS** of the RCO Ordinance,

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requires the RCO to establish both “orderly and democratic means for forming representative public input” and a “clear method for reporting to the city, actions which accurately reflect the community’s position.” **The Hill District community has already established both of these requirements in our community review process and has integrated it with the RCO regulatory requirements.** The Hill CDC, in fact, included the DRP process in our RCO application and have communicated to our community that this is the process we would follow to ensure transparency and sufficient implementation of community vision and goals.

### **DRP Project Status:**

In April 2020, **Block G1 received failing scores against both the GHDMP and the CCIP.** With regard to the GHDMP the project received a **75% - C** and with regard to the CCIP the project received a **68% - D**. As you all are well aware by now, a passing score in the Hill District is a minimum 80% - B as we want to ensure that there is **high quality development** in our community that is in **sufficient alignment** with our community’s vision as articulated in our guiding documents. In May 2020, the DRP Committee met with Buccini Pollin Group and Pittsburgh Arena Real Estate Redevelopment/Penguins (Development Team) and gave guidance on the areas of the proposal that the plan scored poorly in, as well as their concerns about the project. The DRP Committee then requested documents to demonstrate progress in these areas prior to presenting again. **Unfortunately, in June 2020 what the Development Team submitted failed to meet the DRP’s requests.** The DRP Committee did extend the invitation to attend the July 2020 DRP Committee meeting to discuss what barriers and challenges the Development Team had to meeting those requests. However, the Development Team declined to attend and instead stated they would do their “best to keep in touch as events progress.”

The Development Team did not reengage the DRP process until November 2020 at which time the DRP Committee reiterated the unmet requests. **In January 2021, the Development Team once again submitted a response that failed to meet the DRP’s requests. The DRP Committee unanimously voted (1 member was absent, but also has a conflict) that the documentation provided to demonstrate progress in the areas of the GHDMP and CCIP where the proposal scored poorly did not evidence sufficient improvement. As such, the project is not prepared for a second presentation that would result in anything other than another failed score.** The DRP Committee once again extended the invitation to attend the February 2021 DRP meeting to discuss what barriers and challenges the Development Team had to meeting those requests. This time, the Development Team agreed to attend and met with the DRP Committee Members. Unfortunately, the Development Team spent little to no time explaining their barriers and challenges. **Instead, the meeting was spent with the DRP Committee members reiterating their requests for a third time.**

**The DRP Committee is still awaiting complete response from the Development Team to determine if the project is prepared to present again. As such, progress is stalled.**

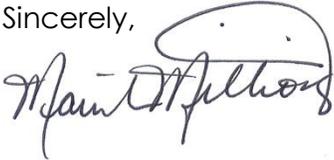
### **RCO Project Status:**

Despite the lack of progress at the DRP level, The Development Team made a request on January 29, 2021 to have a Development Activities Meeting (DAM) for both Block G1 and Block G4. I want to note that a proposal for Block G4 has not yet been submitted to the DRP. **After**

**explaining the integration of our process as enumerated above and the lack of progress at the DRP level, the Development Team is insisting on pushing forward with a DAM.** I want to be clear that the scheduling of this DAM will be at the objection of the Hill CDC, the RCO as well as the DRP Committee due to the lack of compliance with our community plan and the community benefits agreement for the Lower Hill site.

I thank you for your time and consideration of the following status update and information.

Sincerely,

A handwritten signature in black ink, appearing to read "Marimba Milliones". The signature is written in a cursive style with a large, looped initial "M".

Marimba Milliones  
President and CEO

Cc:

Daniel Gilman, Mayor's Office  
State Representative Jake Wheatley