

COMMUNITY BENEFITS AGREEMENT

18 This COMMUNITY BENEFITS AGREEMENT (this “Agreement”) is entered into this day of September, 2023 by and between WALNUT CAPITAL ACQUISITIONS, INC., a Pennsylvania corporation (“Walnut”), which has a business address of 5500 Walnut Street, Suite 300, Pittsburgh, PA 15232 and the LARIMER CONSENSUS GROUP, INC. (“LCG”), which has a business address of 200 Larimer Avenue, Pittsburgh, PA 15206, and THE VILLAGE COLLABORATIVE, INC., which has a business address of 211 North Whitfield Street, Pittsburgh, PA 15206 (Walnut, LCG, and VC are collectively referred to herein as “Parties”).

RECITALS

WHEREAS, Affiliates of Walnut are the owners or equitable owners of various properties located in East Liberty and Larimer as more particularly described on Exhibit “A” (the “Properties”); and

WHEREAS, the LCG and VC are registered community organizations (“RCOs”) within the City of Pittsburgh, and therefore charged with task of helping to improve the quality of life within their respective neighborhoods; and

WHEREAS, Walnut seeks to redevelop the Properties into a mixed-use development project over a series of years and in a number of phases; and

WHEREAS, the Parties have spent a number of months working together to determine the best way to leverage Walnut’s proposed private investment in the Properties so that such investment can have the most meaningful, transformative impact in the Larimer and East Liberty communities (the “Investment Zone”). The Investment Zone is more particularly depicted on Exhibit “B”; and

WHEREAS, the Parties have initially identified various “people” and “places” projects in the Investment Zone that they mutually believe will be transformative; and

WHEREAS, the Parties have agreed to work together to leverage this investment in order to create a new model for “affordable living” that will not only have on-site affordable housing, but that also seeks to build 100 new off-site “for sale” housing units in the Larimer and East Liberty neighborhood including both affordable and market rate homes that can be purchased by people with varying level of incomes, as well as to provide grants to existing homeowners for necessary repairs and safety improvements; and

WHEREAS, the Parties have agreed to work together to leverage this investment in order to provide grants and loans, for new construction and renovations in Larimer and East Liberty, including providing benefits to qualified existing homeowners; and

WHEREAS, the Parties have agreed to come together to support various amendments to Section SP-9 of the City of Pittsburgh’s Zoning Code in order to create the zoning framework for the Properties to facilitate this transformative investment and partnership; and

WHEREAS, the Parties agree that the proposed redevelopment of the Properties presents a tremendous opportunity (a) to provide significant social and economic benefit to the Investment Zone and the City; (b) to provide increased opportunity for mixed use development, which will provide people with the opportunity to live, shop, work, and flourish in the Investment Zone; (c) to create affordable living; (d) to provide a significant amount of Union construction jobs; (e) to focus on sustainability and other important green initiatives; (f) to encourage universal design, including accessibility to public spaces; and (g) to create multimodal enhancements (collectively the “Community Benefits”); and

WHEREAS, if the extension of the SP-9 Specially Planned District becomes law and the SP-9 District is extended, then the Parties will have an opportunity to provide significant Community Benefits in the Larimer and East Liberty neighborhoods; and

WHEREAS, the Parties desire to make commitments to the Community Benefits as outlined herein, and further desire to collaborate towards the implementation of the Community Benefits as outlined herein; and

WHEREAS, the Parties also desire to memorialize their understanding of these issues herein.

NOW THEREFORE, in consideration of the mutual promises contained herein, and intending to be legally bound hereby, the Parties agree to the following:

1. **Incorporation of Recitals.** The Recitals set forth above are incorporated herein.
2. **Walnut’s Commitments.** Upon the adoption by the City of the SP-9 Zoning District Extension legislation encompassing the Properties and the codification of such change in the Official City Zoning Map (the “Benefits Commencement Date”), Walnut agrees to the following regarding any project that Walnut (or a Walnut affiliate) develops on the Properties as a principal, investor, and/or partner (a “Walnut Project”):
 - a. **Participation in the TRID.** Walnut agrees to request that the East Liberty TRID Revitalization Authority (“ELTRIDRA”) accept each eligible Property as a “pledged parcel” and/or participating property in the East Liberty TRID (the “TRID”).
 - b. **Utilization of TRID Funds.** Walnut agrees that the proceeds from any TRID Loans, after the payment of the reasonable costs and fees associated therewith, shall be allocated as follows:
 1. Ninety percent (90%) of the proceeds from each TRID Loan shall be directed towards partially funding the infrastructure and improvement projects preliminarily listed on Exhibit “C” (the “Places Projects”); and
 2. Ten percent (10%) of the proceeds from each TRID Loan shall be directed towards partially funding the projects and initiatives preliminarily listed on Exhibit “D” (the “People Projects”).

With respect to the Places Projects and People Projects, the Parties acknowledge that: (i) the proceeds from the TRID Loans will only cover a portion of the projected costs for each of these initiatives; (ii) additional fundraising will be required to obtain the grants and/or matching funds that will be necessary to fully execute both the People and Places Projects; (iii) that portions of the TRID Loan proceeds necessary to fund the People Projects may have to be structured as grants by Walnut in order to facilitate the funding of such initiatives; (iv) the Places Projects shall be jointly prioritized by the Parties depending on the availability of funds and strategic impact for each Places Project; (v) the People Projects shall be prioritized by the Community Partners (as defined below) depending on the availability of funds and strategic impact for each People Project; and (vi) the list of both the “People Projects” and the “Places Projects” may change from time to time depending on the availability of funds and strategic impact for each Project, with the Parties, with the input from the Community Partners, jointly having the ability to add new projects to the list or to subtract projects from the list from time to time.

3. Commitments to Affordable Housing and Affordable Home Ownership. The Parties agree to the following with regard to “Affordable Housing” as of the Benefits Commencement Date:

a. On-Site Affordable Rental Housing. In every Walnut Project which is a multi-family rental apartment building (ie. greater than 20 units) located on the Properties, five percent (5%) of the rental units shall be dedicated to “workforce housing”, being rental units whose rent is affordable to those individuals whose income is 80% to 120% of the then applicable Area Median Income (“AMI”). Walnut shall maintain this commitment for a duration of at least twenty (20) years from the date that a Certificate of Occupancy is issued to each applicable Walnut Project.

b. Off-Site “For Sale” Affordable and Market Rate Home Ownership. The Parties acknowledge the goal of utilizing the investment in the Properties as the engine for creating 100 new “For Sale” homes, which may be either new construction or the rehabilitation of homes within the Larimer and East Liberty neighborhoods. In support of this goal, the Parties agree to the following:

i. Creation of the “Larimer & East Liberty Revitalization Fund”. Commencing on the Benefits Commencement Date, the Parties agree to facilitate the creation of the Larimer & East Liberty Revitalization Fund (the “Build 100 Fund”), which shall provide financial support to facilitate the development, construction, and sale of affordable and market rate homes in the Larimer and East Liberty neighborhoods. The goal of the Build 100 Fund is to raise \$25M to accomplish the development and sale of 100 for-sale homes in the Investment Zone located in the Larimer and East Liberty neighborhoods. Provided however, that up to ten percent (10%) of the raised Build 100 Fund may be utilized for grants to existing homeowners in the Larimer and East Liberty neighborhoods to perform code compliance, safety upgrades and other renovation work. Walnut agrees to contribute or raise from its affiliates, investors, and/or entities with whom it has contractual relationships at least \$6 million dollars to the Build 100 Fund (the “Walnut Contribution”). It is the intent of the Parties that the remaining portions of the Walnut Contribution shall be funded, on a pro-rata basis, contemporaneously with

the issuance of each building permit for a Walnut Project throughout the various phases of construction on the Properties.

ii. Fundraising and Consultant Costs. Walnut will provide \$50,000.00 as its first installment of the Walnut Contribution commencing upon the Benefits Commencement Date, which shall be utilized for fundraising and consultant costs ("Technical Assistance"). The parties believe that the deliverables associated with this Technical Assistance shall be (a) a recommendation on the organizational structure of the Build 100 Fund, (b) a pitch deck and associated fundraising materials, and (c) financial projections on sources and uses for the dollars that will comprise the Build 100 Fund. Walnut shall provide an additional \$50,000.00 annually on the anniversary of the Benefits Commencement Date for each of the following four years to pay for such Technical Assistance whether the same is performed by the outside consultant or the entity that is overseeing the Build 100 Fund. The identity of the consultant will be determined by the Parties at a later date, but will be obligated to provide regular reporting to both the Build 100 Fund and the CBA Advisory Board.

iii. Administration of the Fund. The Build 100 Fund shall be housed and administered by an agreed upon non-profit foundation, community development financial institution, to be selected with input by affiliates of Walnut, LCG, , VC (collectively, the "Community Partners"). The framework for the operation of the Build 100 Fund shall be set by the Parties, in conjunction with the selected non-profit, prior to the Build 100 Fund commencing operations. The Community Partners shall each appoint an individual who shall serve on an outside advisory board (the "CBA Advisory Board") to this nonprofit corporation and the City/URA shall have one appointee. The CBA Advisory Board shall take the lead in identifying the opportunities for the acquisition, construction, development and/or redevelopment of the 100 For Sale Homes in the Investment Zone. The Community Partners shall have the right to seek grants from the Build 100 Fund, which shall administer the Build 100 Fund, for the development and/or rehabilitation of these 100 For Sale Homes. The Parties agree to mutually cooperate with each other, to meet on a monthly basis, and to provide technical assistance to the others in order to facilitate the work necessary to achieve the goal of fundraising and the development of the 100 For Sale Homes and the rehabilitation of existing homes in the Investment Zone. As part of this work, the Parties agree to provide quarterly reports updating the City and the various stakeholders on their progress.

4. Additional Commitments Regarding the Development on the Properties.

a. Commitment to Union Construction Jobs. Walnut agrees that all initial construction performed by Walnut on the Properties will be performed by Union shops and the applicable Union tradesman who are represented by the Pittsburgh Building Trades Unions. Walnut agrees to provide written verification of this commitment to the City of Pittsburgh (the "City") for each Walnut Project.

b. Commitment to Sustainability. Walnut agrees that all Walnut Projects developed on the Properties will be developed in accordance with sustainability standards to be developed for each project, based on best practices at the time each such building permit is issued.

c. Commitment to M/WDBE Participation. Walnut agrees to the following with respect to M/WBE Participation:

1. Walnut shall direct its union General Contractor, PJ Dick, to commit to minority workforce participation for low-income and minority city residents, with the overarching goal to attract and recruit individuals from the local community. Recognizing that this goal is best reached through education and training, Walnut commits to fund, as of the Benefits Commencement Date, \$25,000 to a community workforce recruitment partner, selected by the CBA Advisory Board, to facilitate minority recruitment job fairs in conjunction with Walnut's General Contractor and its applicable subcontractors. Walnut further agrees to make its facilities periodically available for such job fairs at no cost to the community workforce recruitment partner.

2. Walnut shall direct PJ Dick to work with local organizations, including, but not limited to, the Builders Guild of Western PA, A. Philip Randolph Institute, the Trade Institute of Pittsburgh and the Carpenters Union of Western PA to facilitate opportunities for pre-apprenticeship and/or apprenticeship programs to qualified M/WBE applicants. Walnut agrees that its General Contractor will work with each group to introduce the various phases of the construction, and the types of trade positions that will be needed. Walnut further commits that PJ Dick's applicable subcontractors will be required to engage in meetings, tours and/or discussions with such groups. In addition, PJ Dick will actively support the Pittsburgh Public Schools CTE program, which includes the Pipeline Into the Trades pre-apprenticeship program in carpentry. Walnut will provide regular quarterly reporting on the efforts made by its General Contractor and their applicable subcontractors.

3. Walnut shall direct its General Contractor to make all good faith attempts to meet the M/WDBE goals, in accordance with the City's Equal Opportunity Review Commission "Good Faith Effort Checklist". If a contractor indicates that they cannot meet the goals, they must show that a good faith effort has been made. The goals for participation will be as follows:

25% Total participation

18% Minimum minority business-owned enterprise participation

7% Minimum women business-owned enterprise participation

d. Commitment to Universal Design. All Walnut Projects shall be designed to utilize and incorporate universal design attributes in accordance with the applicable Americans with Disability Act ("ADA") requirements. Additionally, Walnut agrees to use best efforts to also incorporate these attributes into its applicable Public Realm improvements.

e. Commitment to Best Management Practices. All Walnut Projects and Public Realm improvements within the expanded SP-9 District shall utilize green infrastructure techniques such as greenways, rain gardens, bioswales, and other best management practices ("BMPs").

f. Commitment to Equal Opportunity. The Parties agree that they will not discriminate against any contractors, employees, and/or vendors on the basis of age, gender, race, and/or sexual orientation.

g. Reimbursement of Certain Expenses. Walnut recognizes that the Larimer Consensus Group and Village Collaborative are volunteer organizations. Walnut agrees to either provide funding advances and/or reimburse both the Larimer Consensus Group and the Village Collaborative up to one-hundred thousand dollars (\$100,000.00) each for the costs that each organization incurs associated with their obligations set forth in this CBA. These payments shall be made in four annual installments of twenty-five thousand dollars (\$25,000.00), commencing on the Benefits Commencement Date, and made on the anniversary date thereof.

4. Mutual Cooperation. The Parties agree to mutually cooperate with each other to facilitate the creation and implementation of the Community Benefits as set forth in this Agreement. The Parties agree to cooperate with each other to seek grants and/or other incentives to allow for the creation and development of the Public Realm Improvements and to grow the Build 100 Fund contemplated by this Agreement (in accordance with the goals generally set forth in Appendix C).

5. Public Support. The Parties agree to publicly support the extension of the SP-9 Specially Planned District at the Planning Commission, City Council, and other public meetings and to mutually cooperate with each other to facilitate the adoption of the same.

6. Entire Agreement. This Agreement constitutes the entire agreement of the Parties and may not be modified or amended except in a writing signed by all of the Parties.

7. Execution in Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Facsimile or electronic (i.e. PDF) transmissions of signed copies of the Agreement shall be deemed to be original signatures, and binding on the Parties.

8. CBA Advisory Board. This implementation of this Agreement will be overseen by the CBA Advisory Board to ensure that the promises contained herein are fulfilled. The board will be comprised of appointees from LCG, Village Collaborative, the District 9 Councilperson's Office, and the City / URA and shall generally operate in accordance with the parameters set forth in Appendix B.


9. Severability. If any clause or provision of this Agreement is illegal, invalid or unenforceable under present or future laws effective during the term hereof, then the remainder of this Agreement shall not be affected thereby. In lieu of each clause or provision of this Agreement, which is deemed to be illegal, invalid or unenforceable, there shall be added, as part of this Agreement, a clause or provision as similar in terms to the unenforceable term as may be possible and as may be legal, valid and enforceable.

10. Authority. The Parties have the requisite power and authority to enter into this Agreement and to perform the obligations hereunder. The execution, delivery and performance of this Agreement and the consummation of the transactions provided for in this Agreement have been duly authorized by all necessary action on their part.

11. Successors and Assigns. This Agreement shall be binding upon the Parties respective successors and assigns.

IN WITNESS WHEREOF, the Parties hereto evidence their agreement and have executed this Agreement as of the day and year first written above.


WALNUT CAPITAL ACQUISITIONS, INC.

By: 
Name: Todd E. Reidbord
Title: President
Date: 09/18/23

Larimer Consensus Group, Inc.


By: _____
Name: K. Chase Patterson
Title: Board President
Date: _____

Village Collaborative, Inc.


By: 
Name: Darryl Canady
Title: Authorized Signatory
Date: 9.18.23

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By: 
Name: Todd E. Reidbord
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Name: K. Chase Patterson
Title: Board President
Date: September 18, 2023

Village Collaborative, Inc.

By: _____
Name: Darryl Canady
Title: Authorized Signatory
Date: _____

EXHIBIT A
List of Properties

EXHIBIT B

Depiction of Investment Zone

The Investment Zone includes the Larimer and East Liberty neighborhoods of the city of Pittsburgh, 2023 census tracts 1209, 1113, and 1115 according to the FFIEC geocoding/mapping system. The Investment Zone may be expanded by the agreement of the Community Partners.

EXHIBIT C

Preliminary List of “Places” Projects

The following is a Preliminary List of “Places” or public infrastructure projects that have been identified by the Parties:

1. Penn Ave. Right of Way Improvements (Euclid Ave. to Centre Ave.)
2. Penn Ave. Right of Way Improvements (Shady Ave. to 5th Ave.)
3. Penn/Shady Busway Cap Plaza
4. East Liberty Blvd. Stormwater Infrastructure
5. Broad Street/East Liberty Blvd Right of Way Improvements
6. Bakery Square Connector Development Public Infrastructure
7. East Liberty Boulevard Underpass
8. Hamilton Pedestrian Bridge
9. Mayflower/Auburn Street Infrastructure
10. Onsite and Offsite Affordable Housing
11. Larimer Park System- Zone B: The Woods

It is understood that the TRID funding will cover only a portion of the projected costs for all of these initiatives. Additional fundraising will be required to identify matching funds to complete the projects listed above. The Parties also acknowledge that the “Places” Projects listed herein may change from time to time, and may also be re-prioritized, based upon the availability of funding and the strategic impact of the same. Changes to this list of Places Projects shall be agreed upon by Community Partners.

EXHIBIT D

Preliminary List of “People” Projects

Benefit areas for targeted investment in “People Projects” in Larimer and East Liberty:

	Benefits	% Of TRID allocation*
Education	<ul style="list-style-type: none">- early learning- support for math & literacy	$25\% \times 10\% = 2.5\%$
Improved Health Outcomes	<ul style="list-style-type: none">- mental health- preventative care- access to insurance	$25\% \times 10\% = 2.5\%$
Workforce	<ul style="list-style-type: none">- training programs- family sustaining wages- MWDBE programming	$25\% \times 10\% = 2.5\%$
Housing	<ul style="list-style-type: none">- resources for homeowners- increasing units of housing	$25\% \times 10\% = 2.5\%$

The Parties acknowledge that they are in the process of developing the specific projects to deliver the benefits set forth herein, and that the specifics of such projects may change from time to time with the agreement of the Community Partners.

APPENDIX A

Statement of Gratitude to the KEEL+ Partners

The parties to the Community Benefits Agreement wish to memorialize our sincere gratitude to the Kingsley Association, East Liberty Housing Incorporated, East Liberty Development Incorporated, Larimer Consensus Group, and the Village Collaborative for their hard work and dedication in developing the Community Impact Framework for the Community Benefits Agreement with Walnut Capital. Additionally, we would like to thank Malik Bankston and Ivette Mongalo Winston for their guidance during this process.

Your collective efforts have been instrumental in ensuring that the voices of the community are heard and that the development of our neighborhoods is equitable and sustainable. The framework you have created is a testament to your commitment to building a better future for our community.

Through your tireless work, you have helped to ensure that the benefits of this development are shared by all members of the community. Your efforts have helped to create new job opportunities, improve public safety, and increase access to affordable housing.

Your leadership and advocacy have been critical to the success of this project, and we are deeply grateful for the impact you have made in our community. Your commitment to social justice and community development is truly inspiring.

Once again, we would like to extend our heartfelt thanks to each and every one of you for your hard work, dedication, and commitment to our community. Your efforts will have a lasting impact on our neighborhoods, and we are fortunate to have had such passionate and dedicated individuals working on our behalf.

APPENDIX B

Description of CBA Advisory Board

The CBA will name a five-member Advisory Board to ensure that the promises contained in the CBA are fulfilled and that the communities of East Liberty and Larimer receive the benefits they are promised. The CBA Advisory Board will be composed of appointees from LCG (1), Village Collaborative (1), the District 9 Council Person's Office (1), and the City / URA. The Board's responsibilities may include the following:

1. Monitoring Compliance with the CBA.
2. Resolving disputes.
3. Communicating with the public: The CBA Advisory Board will regularly update the community on the progress of the project and the developer's compliance with the CBA.
4. Recommending changes to the CBA: If the CBA Advisory Board determines that changes to the CBA are necessary to serve the community better, it may recommend modifications to the developer and negotiate changes to the agreement.

APPENDIX C

Uses of Build 100 Fund

Uses of the Build 100 Fund may include:

1. **Land acquisition:** The Build 100 Fund may be used to acquire land that can be used for the construction of new affordable housing units. This may involve purchasing land from private owners or negotiating with other government agencies to transfer surplus land for mixed-use housing purposes.
2. **Predevelopment costs:** The Build 100 Fund may be used to cover the costs of planning and design for new mixed-use housing projects, such as architectural and engineering fees, legal fees, site analysis, and environmental assessments.
3. **Construction financing:** The Build 100 Fund may provide financing to developers to construct new mixed-use housing units. This may include loans or grants that are used to cover the costs of construction, such as materials, labor, and equipment.
4. **Rehabilitation and preservation:** Up to 10% of the Build 100 Fund may be used to rehabilitate or preserve existing housing units, including grants to homeowners. This may involve financing repairs and upgrades to existing buildings or acquiring and renovating buildings in danger of being lost from the housing stock.

Overall, the purpose of the Build 100 Fund is to provide flexible financing that can be used to support a range of activities related to the creation and preservation of mixed- use housing.

