

URBAN DEVELOPMENT FUND

Program Summary

Use of Funds:

Gap financing for:

- Acquisition of land and/or buildings
- Construction and/or rehabilitation
- Soft costs related to development

Eligible Businesses:

- Manufacturing
- Commercial and Industrial
- Advanced technology
- Real estate development companies
- Non-profit CDCs engaged in business development projects

Ineligible:

- Non-profit organizations, banks, savings and loan associations
- Check cashing outlets, residential developments
- Bars, adult entertainment, beer distributors
- Non-independently owned gas stations, used car lots
- Furniture and appliance rental shops, and refinancing

Amount of Loan:

- Up to 40% of total project cost - maximum loan \$250,000
- Minimum loan amount \$25,000

Maturity:

- May be equal to the term of the private lender, not to exceed 20 years

Costs to Borrower:

- Interest rate fixed at market rate (may be reduced in "Target" areas)
- Minimum cash equity requirement: 10% of total project cost
- Application fee: \$250 (non-refundable)
- Due diligence fee: 2% of URA loan amount
- Loan servicing fee paid at closing and annually thereafter of one-half of one percent (0.5%) of the outstanding loan balance
- Construction inspection fee of one-half of one percent (0.5%) may be required for construction and renovation projects
- Filing fees due at closing

General Conditions:

- One job created and/or retained for every \$30,000 borrowed
- 51% of jobs created must be filled by low/moderate income persons
- Borrower and tenants are encouraged to use the PA CareerLinks
- May be combined with other public financing programs
- Development must be located in the City of Pittsburgh
- Must demonstrate sufficient cash flow in order to repay the loan
- Loan must be secured by adequate collateral and personal guarantees
- Prevailing wage laws may apply to construction and/or renovation
- A project with a total cost greater than \$250,000 must develop and comply with a Minority- and Woman-owned Business Enterprise Plan
- The project must meet applicable environmental/historic guidelines

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