

**URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH**  
**COMMUNITY DEVELOPMENT INVESTMENT FUND (CDIF)**

I. Statement of Purpose

The Community Development Investment Fund (CDIF) is designed to assist non-profit, community-based organizations to participate in real estate projects (residential, commercial and industrial) that benefit low- and moderate-income persons. The Fund aims to support development of real estate that is idle or underutilized or blighted, providing needed housing and employment opportunities in Pittsburgh neighborhoods. It is hoped that proceeds from these real estate endeavors will assist community development organizations to become more self-sufficient.

The Community Development Investment Fund is administered by the Urban Redevelopment Authority of Pittsburgh.

II. Eligibility

A. Area/Organization Eligibility

Any City neighborhood where a community-based organization exists that meets the following eligibility requirements:

1. The organization has been in formal existence at least two years or can demonstrate ties to an established community agency with a record of demonstrated community participation in project planning.
2. The organization has an elected board of directors which includes substantial neighborhood representation and which exercises its policy and administrative oversight functions competently.
3. The organization principally serves low- to moderate-income persons as defined by HUD regulations.
4. The organization has a demonstrated track record in serving the neighborhood, either through service or advocacy functions, or both, or by participation in specific development projects.
5. The organization has a written, workable strategy and work plan for expanding its capacity to participate in neighborhood planning/development, either directly or in concert with other parties, public and private.

B. Project Eligibility

CDIF monies may be used for commercial, industrial and residential real estate development projects. The applicant organization can propose to participate in a project either directly as developer or co-developer or financially through a loan to a developer.

Community centers will not be eligible and day care centers will only be eligible when incidental to a larger commercial or residential project.

C. Other Eligibility Requirements

The following applies to both the applicant and subcontractor(s) who benefit from the CDIF grant:

1. Grant must satisfy the conflict of interest requirements established by the Urban Redevelopment Authority of Pittsburgh.
2. The applicant or the applicant's subcontractor or development partners must not be in default on federal, state or local taxes or any existing private or publicly financed loan or grant agreement.

III. Eligible Activities

- A. Land costs, including acquisition; site preparation; and legal, testing, site mapping and other costs related thereto.
- B. Building costs, including acquisition; construction; rehabilitation; and engineering, architectural, legal and other costs related thereto.

IV. Parameters of Grants

- A. Maximum grant will be \$150,000 per project, except that an operating project is eligible for up to an additional \$100,000 in exceptional circumstances for restructuring. This second grant to the same project must be justified through a demonstration of the ongoing viability of the project.

An organization can receive a maximum of \$200,000 in CDIF grants for a project(s) each calendar year. The date of the URA Board's approval is considered the date of receipt of the CDIF grant.

B. Leverage

1. Industrial/Commercial Projects

For every CDIF dollar invested in an industrial or commercial project, there must be at least two dollars in other private or public investment.

2. Residential Projects

Every CDIF dollar invested in a residential project must be matched with at least one dollar in other private or public investment.

- C. URA reserves the right to approve the terms of all agreements between the applicant and the developer as part of the application approval process.

V. Conditions of CDIF Grants

A. Program Benefit

Housing developments using CDIF funds must comply with the program benefit requirements of any other financing programs of the Authority's Department of Housing used to finance the developments.

- B. Fifty-one percent (51%) or more of the full-time equivalent jobs created by the project shall be made available to low- and moderate-income persons. New employment is defined as first-time hires, or past employees who have not been employed by the business for at least six months. The developer would have to achieve the low/moderate employment requirements within three years.

- C. Upon submitting a loan application under this program, all applicants creating new jobs will meet with representatives of the City of Pittsburgh's Employment and Training Division to develop an employment plan for the jobs to be created as a result of the URA and private investment. For a period of 5 years, for all new entry-level, permanent, non-supervisory positions, the applicant must agree to consider for employment and to interview either candidates referred by the City's Employment and Training Division or applicants secured through independent methods who satisfy eligibility requirements established by the Job Training Partnership Act. For all projects over \$250,000 in total cost, the applicant must agree to fill a minimum of 50% of these positions with candidates referred by the Employment and Training Division of JTPA eligible candidates.

- D. If a determination is made by the URA that the project eliminates slums and blight, the project need not meet the low/moderate income benefit requirements describe in A, B, or C.

- E. Any project over \$250,000 in total cost must comply with the City's Requirements for a minority business enterprise plan.

Failure to meet the requirements specified above will result in an assessment by the Authority of liquidated damages up to the amount of the CDIF grant.

- F. Community Development Investment Fund grant commitments will be extended for a period of six months. If the grant closing does not occur within this six-month period, the project will be re-evaluated to determine if extensions of the commitment of up to three months each should be granted or if CDIF monies should be reallocated.
- G. For all developments that receive Community Development Investment Fund grants, the URA will charge an inspection fee.

VI. Project Selection Criteria

Applications must meet the following criteria in order to be eligible for CDIF grants:

- A. The feasibility of the project depends on the CDIF grant. Feasibility will be assessed based on the role of the CDC in the development of the project.
  - 1. When the community-based organization is project developer or co-developer and the CDIF grant will be used as the organization's equity in the project, the organization must demonstrate that:
    - it does not have sufficient funds available to provide project equity.
  - 2. When the community-based organization is an equity investor but not a developer and the CDIF grant will be used as the organization's equity in the project, the organization must demonstrate that:
    - it does not have sufficient funds available to provide project equity.
    - the CDIF grant is not replacing funding that is otherwise available from private sector sources on terms that allow the project to be financially feasible.
    - the organization was influential in attracting the developer to the project.
  - 3. When the community-based organization serves as lender and the CDIF grant will be loaned to the developer, the organization must demonstrate that:
    - the CDIF loan is not replacing funding that is otherwise available from private sector sources on terms that allow the project to be financially feasible.

- the organization was influential in attracting the developer to the project.

The URA reserves the right to reject an application based on the corporation or personal net worth of the applicant.

- B. The project is financially feasible.
- C. The project contributes to neighborhood stability/revitalization (e.g., blight removal, or location on a key site within the neighborhood) and relates to a planning process.
- D. The project meets the organization's community-based development purposes.

Because there may be insufficient funds to approve all eligible applications that meet the standard criteria, CDIF applications will be evaluated based on additional criteria measuring public benefits.

- A. The number of jobs or housing units created.
- B. Amount of private investment generated.
- C. Degree of distress of the neighborhood in which the project will be located.
- D. Early return on investment to the sponsoring community-based organization, which will contribute to increased organizational self-sufficiency.

## VII. Additional Information

For additional information about economic development projects, please contact the Urban Redevelopment Authority, Center for Business Assistance at (412) 255-6551. For additional information about housing projects, please call (412) 255-6666. The TDD number for the hearing impaired is (412) 255-6644.

**The Urban Redevelopment Authority of Pittsburgh does not discriminate on the basis of age; race; sex; religion; national origin; physical handicap, including impaired vision or hearing; or political or union affiliation. No person, solely on the basis of any of the above factors, shall be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under the loan and grant programs operated by the Urban Redevelopment Authority of Pittsburgh.**