

# CULTURAL DISTRICT HISTORIC FAÇADE RESTORATION PROGRAM GUIDELINES

A Joint Program of the Pittsburgh Trust for Cultural Resources, the Howard Heinz Endowment, the Urban Redevelopment Authority of Pittsburgh, and the City of Pittsburgh.

## I. Statement of Purpose

The Cultural District Historic Facade Restoration Program is designed to promote the preservation and improvement of the buildings in the Penn-Liberty Historic District, a portion of the nascent cultural district adjacent to Heinz Hall and the Benedum Center for the Performing Arts. The program will provide matching deferred payment loans for facade restoration, which will complement and support other public and private investments in the district, to promote the desirability of the area as a cultural district, retain and encourage the growth of key industries in the Golden Triangle, and increase Pittsburgh's amenities for economic development.

## II. Eligibility

The program will be available to the owners of the 51 buildings of potential historic significance identified in the facade restoration study of the Historic District prepared by L.P. Perfido Associates for the Pittsburgh Trust for Cultural Resources and contained in an area roughly defined by Liberty and Penn Avenue between Seventh and Tenth Streets and extending north to French Street between Ninth and Tenth Streets. (See Attachment A.) The remaining structures in the District, including buildings that are not historically significant and historic buildings that have been already restored, are not eligible for the program.

## III. Eligible Use of Funds

All improvements and related architectural costs involved in the restoration of the facades of eligible buildings (and the side walls of corner buildings), including masonry cleaning, pointing, and repair, window repair or replacement, and the construction of new storefronts. The restoration of the entire facade is preferred, but a minimum amount of work is required - either the entire storefront or the entire facade above the storefront. Storefront improvements will have priority over upper facade improvements. Roof and interior repairs are not included. All improvements are subject to review and approval before work on a project begins.

## IV. Financial Terms

--DEFERRED/NO INTEREST LOAN--

- A. The program will provide deferred payment loans to eligible applicants. No monthly payments are due and no interest charge is made or accrued. However, upon the sale or transfer of ownership of more than a 33 percent interest in the property (excluding a transfer by inheritance), the full principal amount is due on the loan.

- B. The deferred loan is to be matched by private investment in the facade. The level of investment varies with the amount of the total project cost. The deferred loan amount is based on the eligible cost and will be determined as follows:

Fifty percent (50%) of the first \$60,000 of eligible costs and an additional 30% for eligible costs exceeding the first \$60,000.

- C. A \$350 loan application fee is required, plus any additional registration or closing fees, payable at the closing of the loan.
- D. Due Diligence Fee: All approved loans will carry a due diligence/origination fee of 2% which may be financed as part of the total project cost.

--TERM LOAN--

If an owner of an eligible building plans both a complete facade restoration and a complete interior renovation of an eligible building with currently unoccupied upper floors, then the owner may apply for a term loan for up to 80% of the eligible facade restoration costs. The conditions of the loan shall be as follows:

- A. Maximum Loan Amount: 80% of the eligible facade restoration costs or \$250,000, whichever is less.
- B. Application Fee: \$350
- C. Maximum Term: To match bank term. Upon refinancing, sale, or transfer of ownership of more than a 33 percent interest in the property (excluding a transfer by inheritance), the full outstanding principal amount of the loan is due.
- D. Interest Rate: 3% fixed, accruing upon the earlier of either completion of construction or 18 months after initial disbursement.
- E. Loan Payments: Fully amortizing over the loan term with payments beginning upon the earlier of either completion of construction or 18 months after initial disbursement.
- F. Construction Inspection Fee: One half of one percent of the loan amount due at closing.
- G. Loan Servicing Fee: One half of one percent of the outstanding loan balance, payable annually.
- H. Due Diligence Fee: All approved loans will carry a due diligence/origination fee of 2% which may be financed as part of the total project cost.
- I. Underwriting: Loan applications will be subject to complete financial underwriting and final approval by the URA Loan Review Committee.

I. Security: Subordinate mortgage loan.

J. Disbursement: Pursuant to a construction disbursement schedule for eligible facade restoration costs.

V. Design Standards

Facade improvements must comply with the Penn-Liberty Historic District guidelines and be approved by the Historic Review Commission of Pittsburgh. To qualify for the 20 percent Federal historic preservation tax credit, facade improvements must comply with the Secretary of the Interior's Standards for Rehabilitation and be approved by the U.S. Department of the Interior.

VI. Additional Information

For additional information, please contact the Urban Redevelopment Authority of Pittsburgh, Center for Innovation and Entrepreneurship at (412) 255-6546. For information on design assistance or design approval, please contact the City Planning Department of the City of Pittsburgh at (412) 255-2243.

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 Center for Innovation and Entrepreneurship of the Urban Redevelopment Authority of Pittsburgh.

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