

N. Negley Residences

327 N. Negley Ave., Pittsburgh, PA 15206

HOF Rental Gap Program Loan

PRESENTED TO THE HOUSING OPPORTUNITY FUND ADVISORY BOARD

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A. PROJECT INFORMATION

| | |
|------------------------------------|--|
| BORROWER: | 327 NN LLC |
| DEVELOPER: | Catalyst Communities LLC |
| DEVELOPMENT NAME: | N. Negley Residences |
| LOCATION: | 327 N. Negley Ave., Pittsburgh, PA 15206 |
| NEIGHBORHOOD: | Garfield |
| COUNCIL DISTRICT: | 9 |
| PROPERTY MANAGER: | Beacon Communities LLC |
| SERVICE PROVIDER: | Beacon Communities LLC |
| DEVELOPMENT CONSULTANT: | N/A |
| NON-PROFIT APPLICANT: | Bloomfield Garfield Corporation |
| NON-PROFIT PROJECT MANAGER: | Richard Swartz, Executive Director |
| NATURE OF BUSINESS: | Rehabilitation and renovation of the B’Nai Israel Synagogue located at 327 N. Negley Ave. into forty-five (45) total units. Of these forty-five units, six (6) will be affordable at or below 30% AMI, seventeen (17) at or below 50% AMI, and fifteen (15) at or below 60% AMI. |
| ARCHITECT: | Desmone Architects |
| GENERAL CONTRACTOR: | Mistick Construction |

B. PROJECT DESCRIPTION

Catalyst Communities is requesting \$585,230 in HOF Rental Gap Program (RGP) funds for the rehabilitation and redevelopment of the B’Nai Israel Synagogue, located at 327 N. Negley Ave. in the Garfield neighborhood of the City of Pittsburgh. The project will be divided into two phases. Phase I will include the addition of two stories to the existing two-story classroom wings for the construction of forty-five (45) total units, thirty-eight (38) of which will be affordable at or below 60% AMI. The second phase will focus entirely on the rehabilitation of the rotunda, which will be redeveloped separately as community-serving offices and gathering space.

The centerpiece of the property, the sanctuary rotunda, was constructed in 1923. The B’Nai Israel Congregation made additions to the building in the 1950s including the south wing in 1950 and the west wing in 1953. In the 1990s the congregation merged with the Congregation Beth Jacob of New Kensington and formed the Adat Shalom Congregation in Fox Chapel. Since 1995, the sanctuary

remained unused while the attached community building became a charter school run by the Urban League of Greater Pittsburgh in the early 2000s. The charter school vacated the building approximately two years ago.

C. INCOME RESTRICTIONS

Catalyst Communities will provide the rehabilitation and renovation of 327 N. Negley Ave., creating forty-five (45) total units. Six (6) of the units will be available to tenants at or below 30% AMI, seventeen (17) units will be affordable to tenants at or below 50% AMI, and fifteen (15) units will be available to tenants at or below 60% AMI. The remaining seven (7) units will be available at market rate.

D. PROPOSED HOF RGP LOAN TERMS

| | |
|-----------------------|--|
| Requested Amount: | \$585,230 |
| Recommended Amount: | \$585,230 |
| 30% or 50% Set Aside: | Six units at or below 30% AMI and 17 units at or below 50% AMI |
| Interest Rate: | 0% or a rate to be determined by the tax credit equity investor |
| Term: | 30 years |
| Collateral: | Subordinate lien position on all project property |
| Repayment: | Sharing 50% cash flow with a URA Rental Housing Development and Improvement Program (RHDIP) loan, minimum annual payment of \$1,000. |
| Affordability Period: | 40 years |
| Deed Restrictions: | An affordability deed restriction will be recorded for six units at or below 30% AMI and seventeen units at or below 50% AMI for 40 years. |

E. DEVELOPMENT SOURCES & USES

| Committed Sources of Income | | |
|---|-----------|-------------------|
| Permanent Financing – 1 st Lien (PHFA) | \$ | 2,275,000 |
| Equity (LIHTC) | \$ | 12,371,288 |
| HACP | \$ | 870,000 |
| PHFA PHARE | \$ | 1,250,000 |
| FHLB | \$ | 400,000 |
| URA Rental Housing Development and Improvement Program (RHDIP) Loan | \$ | 414,770 |
| URA Rental Gap Program (RGP) | \$ | 585,230 |
| Total Project Financing | \$ | 18,166,288 |

| Uses of Funds | | |
|---|-----------|-------------------|
| Hard Costs | \$ | 11,935,109 |
| Fees | \$ | 1,124,845 |
| Miscellaneous Development Expenses | \$ | 266,300 |
| Construction & Permanent Loan Financing Charges | \$ | 614,150 |
| Acquisition | \$ | 1,830,000 |
| Reserves and Developer Fee | \$ | 1,888,123 |
| Syndication Fees & Expenses | \$ | 507,761 |
| Total Project Uses | \$ | 18,166,288 |

F. REASON FOR HOF REQUEST

The conversion of a historical synagogue into a mixed-use building containing twenty-three (23) affordable units at or below 50% AMI and, ultimately, thirty-eight (38) affordable units at or below 60% AMI.

G. M/WBE AND DIVERSITY NARRATIVE

Catalyst Communities' latest MWBE/MWI Narrative, dated March 10, 2020 has been reviewed and approved by the URA MWBE Compliance staff.

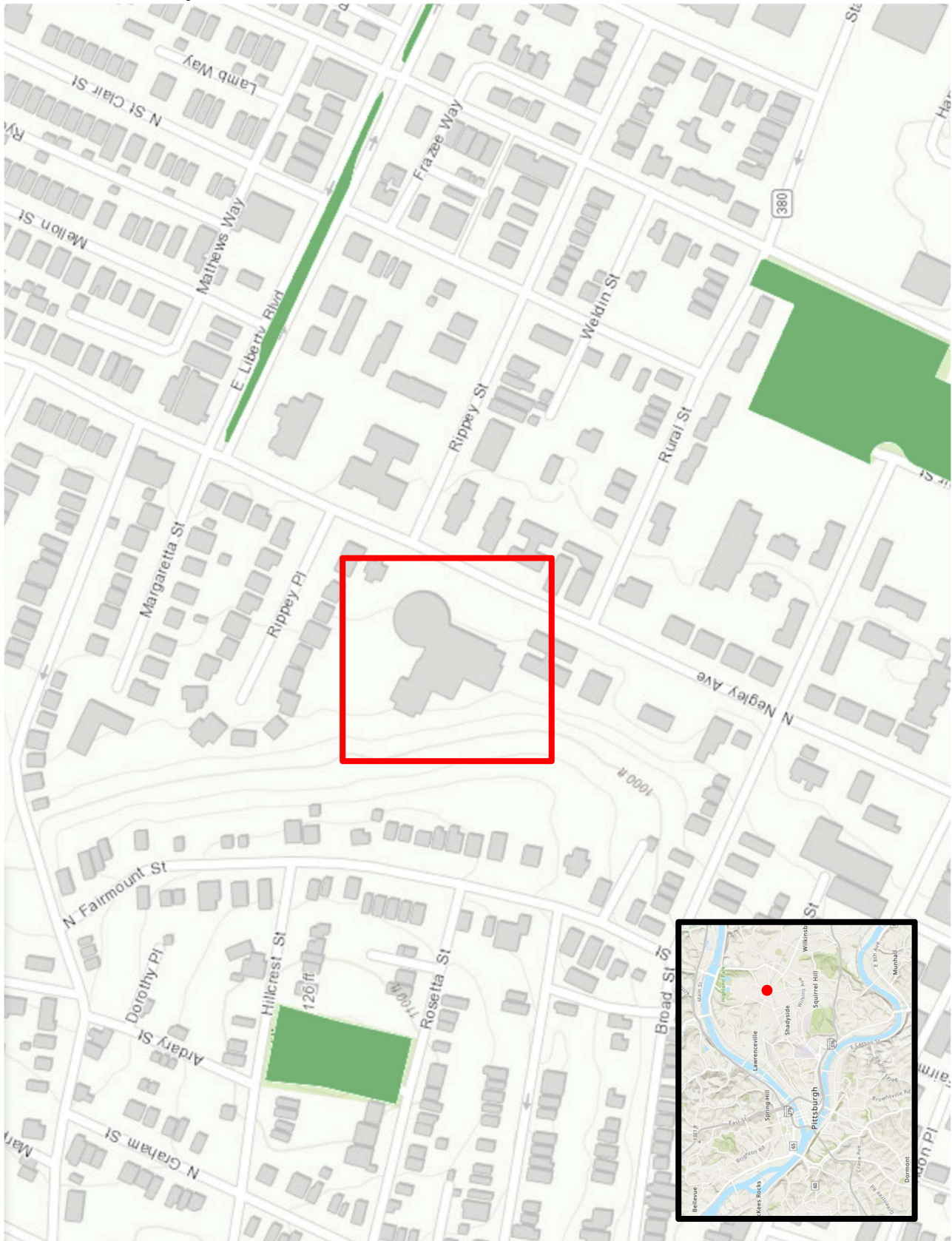
H. PROJECT BENEFIT

The rehabilitation and renovation of this building will create thirty-eight affordable units in the Garfield neighborhood and preserve a historic structure that may otherwise continue deteriorating or be demolished.

I. ATTACHMENTS

- A. Location Map
- B. Photographs

Attachment A. Project Location



Attachment B. Photographs



Photo 1. N. Negley Avenue from Rural St., B'nai Israel at right center



Photo 2. B'nai Israel Synagogue



Photo 3. B'nai Israel from northeast



Photo 4. Driveway to parking lot in rear and retaining wall