

Flats on Forward LP

Flats on Forward

HOF Rental Gap Program Loan

PRESENTED TO THE HOUSING OPPORTUNITY FUND ADVISORY BOARD

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A. PROJECT INFORMATION

BORROWER/DEVELOPER	Flats on Forward LP
LOCATION	5824 Forward Avenue, Pittsburgh, PA 15217
NEIGHBORHOOD	Squirrel Hill
COUNCIL DISTRICT	Council District 5
NON-PROFIT APPLICANT	ACTION-Housing, Inc.
NATURE OF BUSINESS	Affordable housing / mixed use development
ARCHITECT	Bohlin Cywinski Jackson
GENERAL CONTRACTOR	PJ Dick

B. PROJECT DESCRIPTION

ACTION-Housing, Inc. is the developer of Flats on Forward, under the single-purpose entity, Flats on Forward LP. The project will redevelop the former Squirrel Hill Theater site and the vacant parcel on the corner of Forward Avenue and Murray Avenue in the Squirrel Hill Neighborhood. The development is located adjacent to Krause Commons, an affordable housing project that ACTION-Housing built in 2018.

The project is a 9% Low Income Housing Tax Credit (LIHTC) project that will provide a total of 43 units. There will be a preference for 25 percent of the housing units for individuals with disabilities. Five (5) units will be reserved for households at or below 20% AMI, 17 units will be available to households at or below 50%, and the remaining 21 units will be available for households at or below 60% AMI. The first floor will have 10,000 sq. ft. of leasable retail/commercial space.

Flats on Forward is consistent with the Squirrel Hill Urban Coalition’s (SHUC) vision for this site as well as all existing neighborhood plans that call for the revitalization of this gateway and for a diversity of housing stock. ACTION-Housing had a strong relationship with SHUC throughout the construction of Krause Commons and looks forward to a continuing partnership working together to make Flats on Forward a reality. The Forward/Murray intersection is one of the primary gateways to the Squirrel Hill neighborhood of Pittsburgh. This is a neighborhood of considerable diversity and is one of the highest per capita income neighborhoods in the city. It is a neighborhood with a healthy mix of rental and owner-occupied housing opportunities, a dynamic commercial corridor, strong public schools, places of worship, grocery stores, parks and playgrounds, and all the other necessities for daily living.

C. INCOME RESTRICTIONS

The 43 affordable units will have a 40-year term of affordability, which will be enforced by PHFA restrictive covenants. HOF will have deed restrictions on at least 22 units; five of the HOF units will be rented to households at or below 30% AMI, and another 17 HOF units will be rented to households at or below 50% AMI.

D. PROPOSED HOF RGP LOAN TERMS

Requested Amount:	\$585,000
Recommended Amount:	\$585,000
30% or 50% Set Aside:	\$300,000 will be taken from the 2018 30% AMI set aside, \$285,000 will be taken from the 2019 50% set aside
Interest Rate:	0% or a rate determined by the Tax Credit equity provider
Term:	40 years
Collateral:	Subordinate lien position on real property located at 5824 Forward Avenue, Pittsburgh, PA 15217
Repayment:	A To-Be-Determined % of annual cashflow
Affordability Period:	40 years
Deed Restrictions:	A deed restriction will be recorded for five affordable units at or below 30% AMI and for at least 17 affordable units at or below 50% AMI for 40 years.

E. DEVELOPMENT SOURCES

TOTAL DEVELOPMENT COST:		\$23,241,131
URA HOF FINANCING FOR REVIEW:		
URA HOF Rental Gap Program Loan		\$585,000
OTHER URA FINANCING PENDING:		
Rental Housing Development and Improvement Program (RHDIP)	\$	665,000
Total Other Pending URA Financing	\$	1,250,000

OTHER FINANCING SOURCES:

LIHTC Tax Credit Equity (Key Bank)	\$	12,250,000
RACP	\$	1,000,000
PHFA PHARE	\$	1,000,000
Deferred Developer Fee	\$	500,000
State HOME (Pending)	\$	1,750,000
FHLB (Pending)	\$	500,000
Multimodal and Mixed-Use Funds and Additional RACP (Pending)	\$	1,991,131
Commercial – Condo Purchase (Pending)	\$	3,000,000
Total Non-URA Financing:	\$	21,991,131
Total Financing:	\$	23,241,131

F. Uses of Funds

USES

Hard Costs	\$	16,338,346
Fees	\$	1,033,391
Miscellaneous Development Expenses	\$	354,150
Construction & Permanent Loan Financing Charges	\$	564,022
Acquisition	\$	2,220,070
Reserves and Developer Fee	\$	2,633,752
Syndication Fees & Expenses	\$	99,400
Total Project Uses	\$	23,243,131

G. REASON FOR HOF REQUEST

The funds are needed to fill the gap of financing in this mixed-use development that will be a 9% LIHTC project creating 43 affordable housing units.

H. NON-PROFIT APPLICANT

As per program guidelines, a non-profit applicant is required for any project seeking HOF RGP funding. ACTION-Housing, Inc. is the non-profit corporation applying for the HOF RGP funds. An entity controlled by ACTION-Housing owns the two parcels the project will be built on.

I. SUPPORTIVE SERVICES

ACTION-Housing’s management company, Supportive Housing Management Services, will provide supportive services. There will be a preference for 25 percent of the units for individuals with disabilities. Those units will receive additional supportive services through a partnership with Achieva.

J. MINORITY AND WOMEN BUSINESS ENTERPRISE PARTICIPATION (M/WBE)

The Developer's preliminary M/WBE narrative has received approval by URA's Performance and Compliance Department. A Final M/WBE Plan must be submitted by the Developer and approved by URA before the financial closing.

K. PROJECT BENEFIT

Redevelopment of this site will significantly improve a major gateway into the Squirrel Hill neighborhood and commercial district. The developed property will also provide affordable housing opportunities with the construction of 43 new apartment units.

L. ATTACHMENTS

- A. Rendering
- B. Map

Attachment A.





Attachment B.

