

REQUEST FOR PROPOSALS (RFP)

East End Housing Development Program (EEHDP)

Sponsored by:

East Liberty Transit Revitalization Investment District Revitalization Authority (ELTRIDRA)

Administered by:

Urban Redevelopment Authority of Pittsburgh (URA)

RFP Issue Date: January 6, 2021

Pre-Application Info Session: January 22, 2021 at 9:30 a.m. ET

Join Zoom Meeting

<https://zoom.us/j/99599087436?pwd=R0VDK29uYzF1bFcvRVFsRjk4Wjgwdz09>

Meeting ID: 995 9908 7436

Passcode: 2321877

Application Due Date: Accepting Applications on a Rolling Basis

Submit All Applications to EEHDP@URA.ORG

I. Introduction

The Urban Redevelopment Authority of Pittsburgh (URA), on behalf of the East Liberty Transit Revitalization Investment District Revitalization Authority (ELTRIDRA), requests funding proposals from developers for the East End Housing Development Program (EEHDP) for projects related to the creation and/or preservation of affordable rental and for-sale housing units within the East Liberty TRID boundary. EEHDP guidelines were created by the URA in conjunction with the ELTRIDRA Housing Committee, comprised of one member from each of the following organizations: East Liberty Development Incorporated (ELDI), the Bloomfield-Garfield Corporation (BGC), the Friendship Community Group, and the City of Pittsburgh (City).

II. Program Objectives

Full EEHDP Guidelines are attached to this RFP ([Exhibit A](#)).

The East End Housing Development Program (EEHDP or the Program) will help to fund the creation of new affordable housing and/or the preservation of affordable housing in the East Liberty neighborhood and the adjacent neighborhoods of Larimer and Shadyside (specifically, those areas within the [East Liberty TRID Boundary](#)). The Program provides a flexible source of funding to non-profit and for-profit development partnerships for the creation of affordable units. The purpose of EEHDP is to increase the supply of decent affordable housing and to eliminate deficiencies in the health and safety of properties and to ensure compliance with applicable building codes and standards.

The creation of new affordable housing is defined as one of the following:

1. The new construction of rental units which will be rented to households at or below 50% of Area Median Income (AMI);
2. The new construction of for-sale units to be sold to owner-occupied households at or below 80% of the AMI;
3. The rehabilitation of existing rental units to be rented to households at or below 50% of the AMI;
4. The rehabilitation of for-sale units to be sold to owner-occupied households at or below 80% of the AMI.

The preservation of affordable housing will generally be defined as the rehabilitation of existing housing which is rented to households at or below 50% of area median income.

Priority will be given to projects that:

1. Bring quality affordable units to market quickly; and
2. Accommodate replacement housing for families with children and/or households with a member that is disabled, who are current residents of the community.

III. Eligible Borrowers

Eligible borrowers shall be either (1) a non-profit developer or (2) a for-profit developer acting in a joint venture, limited partnership, or other mutually agreed upon relationship with a non-profit developer or community-based group. Examples of eligible borrowers include, but are not limited to, the following:

1. Developers of rental projects containing 20 or more units who agree to lease at least 20% of the units to households at or below 50% of Area Median Income (AMI), with a minimum of 10 affordable units;
2. Developers of rental projects containing fewer than 20 units who agree to rehabilitate and lease rental 50% of all project units to households at or below 50% AMI;
3. Community development corporations (CDCs) and other for-profit/not-profit partners who develop for-sale housing to be sold to households at or below 80% AMI.

In accordance with City Council Bill No. 2016-0602:

- The term “Non-Profit” means a non-profit organization that (1) is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and (2) has providing affordable housing or combating community deterioration amongst its tax-exempt purposes. The term shall not include a non-profit organization which is controlled by a for-profit or public entity.
- The term “Neighborhood-Based Non-Profit” means (1) a Non-profit that has a substantial base of operations within the neighborhood where the EEHDP housing is to be built/rehabilitated, or (2) a tenant association that represents the tenants in the housing to be funded by the EEHDP.

To be considered a complete proposal, applications must include an executed agreement between the non-profit applicant and borrower. This document should detail the role of each party during different development phases (e.g., design/pre-construction, construction, post-construction, etc.), all joint responsibilities, how project-related income will be managed, and any other details that may inform the Advisory and Governing Boards of the development team's composition and function.

IV. Eligible Projects/Properties

To be eligible under the East End Housing Development Program, projects must comply with the following:

1. Projects must be located within the East Liberty TRID Boundary. See map ([Exhibit B](#)) for reference.
2. The property must comply with all applicable zoning requirements.
3. The borrower must own the property prior to or at the time of EEHDP closing.
4. New rental development projects must rent at least 20% of the units to households at or below 50% AMI. There must be at least 10 affordable units.
5. For existing rental properties containing less than 20 units, at least 50% of the project units to households at or below 50% AMI.
6. At least 51% of for-sale units built or renovated under EEHDP must be sold to households at or below 80% AMI.
7. URA staff must deem the project to be a feasible residential project, based upon established project underwriting processes.

V. Eligible Activities

1. Gap Financing. EEHDP funds shall be utilized to supply a portion of the Gap Financing required under current or future governmental housing programs including, but not limited to: Low-Income Housing Tax Credit (LIHTC), Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund (PHARE), Federal Home Loan Bank System (FHLB), and Pennsylvania Housing Financing Agency (PHFA), as applicable. If a project is privately financed and only

needs gap financing consistent with the guidelines for this EEHDP program, then the project will also be eligible.

2. Affordable Housing Eligible Costs The development of affordable housing shall be the preferred use of EEHDP funds. Affordable housing development activities include, but are not limited to, engineering studies, architectural design, site development, and housing construction. Related work, such as stormwater management and utility infrastructure, are eligible costs under EEHDP but must be related to the specific development of housing.

VI. Funding Terms, Limits and Requirements

All EEHDP awards shall be made in conformance with the requirements set forth below:

A. Maximum Loan and Grant Amounts

1. For new and existing rental projects that will be rented to households at or below 50% AMI, the maximum loan amount for the program will be limited to either (1) up to \$30,000 per affordable dwelling unit, (2) up to 50% of total development cost of the project, or (3) up to \$500,000, whichever is less.
2. For for-sale development projects to be sold to households at or below 80% AMI, the maximum loan and/or grant amount for the program will be limited to either (1) up to \$70,000 per affordable unit or (2) up to \$250,000 per project, whichever is less. Loan and grant amount breakdowns will be determined by URA staff based upon review of the development proforma.
3. For for-sale development projects that include 51% of units to be sold to households at or below 80% AMI, loan and/or grant funding may be made available for additional units to be sold to households between 80% and 100% AMI – limited to either (1) up to \$60,000 per unit to be sold to a household between 80% and 100% AMI or (2) up to \$200,000 per project, whichever is less.

Note: Only for-sale development projects are eligible for grants.

B. Equity

1. For-profit borrowers are required to provide equity equal to or exceeding 10% of the total development cost. Non-profit borrowers are exempt from this requirement.

C. Income Limits, Rent Limits, Sales Price Limits

1. For requirements concerning the number of affordable units in developments to be rented affordably, see Section IV: Eligible Projects/Properties above.
2. The annual gross rent for rental units to be occupied by households at or below 50% AMI may not exceed 30% of 50% AMI (minus utility costs).
3. For new construction or rehabilitation of for-sale units to be sold to households at or below 80% AMI, the sales price and/or the amount to be financed by the homebuyer must not exceed 2.5 times 80% AMI for the year in which the project received EEHDP funds.
4. For new construction or rehabilitation of for-sale units to be sold to households above 80% AMI, the sales price and/or the amount to be financed by the home buyer must not exceed 2.5 times 100% AMI for the year in which the project is receiving EEHDP funds.
5. The borrower must agree to comply with the specified income and rent limits for at least thirty (30) years for rehabilitated properties and at least forty (40) years for newly constructed properties.

D. Interest Rate

1. The interest rate to be paid on EEHDP loans will be a preferred rate set by the URA for each loan.
2. The interest rate will be established based upon the borrower's capacity to repay the EEHDP loan through the project's operating income, as determined by the URA.

E. Loan Terms and Amortization Period

1. The maximum term of each loan shall not exceed the remaining term of the first mortgage or 30 years from the date of completion of the rehabilitation or new construction funded by the EEHDP loan, whichever is longer.
2. The term may provide for deferred payments of principal or interest or both principal and interest.

3. Deferrals shall be granted based upon the borrower's capacity to repay the loan through the project's operating income as determined by the URA.
4. At the end of the deferral period, if any, no less than one half of the loan shall be amortized over the remaining term of the loan. Up to one half of the loan may continue to be deferred until the maturity date of the loan, at which time, a balloon payment of principal and interest, if any, shall be due.
5. All EEHDP loan agreements will include a provision to enable the URA to seek a pre-payment of the loan in the event that the borrower's Net Operating Income (NOI) for the preceding year exceeds 130% of scheduled debt service payments. The NOI would be calculated based on a review of the borrower's financing statement for the preceding year. NOI is defined as project income less operating expenses less a reasonable provision for Replacement Reserve. The amount of the pre-payment would be equal to the amount by which NOI exceeds 130% of debt service.
6. For projects financed with Low Income Housing Tax Credits (LIHTCs) or U.S. Department of Housing and Urban Development (HUD) Section 811 or Section 202 funds, the full amount of the loan may continue to be deferred until the maturity date of the loan, at which time a balloon payment of principal and interest, if any, shall be due. Annual cashflow payments will be required in accordance with an agreed upon definition of cashflow.

F. Administrative Fee.

1. The URA, acting on behalf of ELTRIDRA, shall be paid an administrative fee not to exceed 2% of total EEHDP proceeds in a project, to be paid by the Borrower at closing. A legal and inspection fee may also be due at closing.

G. Project Costs

1. The Applicant will be required to submit its project costs to the URA for an intensive cost analysis. The Housing Committee shall only recommend a Project to ELTRIDRA if the URA has approved the project costs.

H. Conflict of Interest

1. The Housing Committee shall adopt and maintain a Conflict of Interest Policy. All Applicants shall fill out and submit a Conflict of Interest Form, detailing any potential conflict of interests. The form must be submitted to the ELTRIDRA Board

at the time it transmits its recommendation for a proposal. Any Applicant with a conflict of interest, that is not waived by ELTRIDRA, shall not be allowed to obtain Gap Financing.

I. Neighborhood Plan

1. All developments approved under EEHDP shall be consistent with existing neighborhood plans for the neighborhood where the development is located.

J. Restrictive Covenants

1. If for-sale units are included in the project, the deeds shall include restrictive covenants requiring units to be sold to purchasers who are at or below 80% AMI. If rental units are included in the project, the deeds shall include restrictive covenants requiring that a certain number of units be rented to households at or below 50% AMI.

K. Fair Housing and Accessibility Requirements

1. All units in both rehabilitated and new projects shall meet visitability standards to the greatest extent feasible.
2. All projects must submit an Affirmative Fair Housing Marketing Plan at time of EEHDP application.

VII. Proposal Deadlines and Requirements

A. Bid Notification Announcement

1. The URA is now using Ion Wave Technologies (IWT) as its bid notification and RFP Question and Answer (Q&A) platform. In addition to following the Submission Requirements, respondents must also register at <https://ionwave.net/suppliers/> in order to submit questions about this RFP.

B. Submission Requirements

All application submissions are to include 1. A completed EEHDP Application Narrative ([Exhibit C](#)), 2. EEHDP Excel Template ([Exhibit D](#)), and 3. all applicable attachments listed in the Attachments Checklist ([Exhibit E](#)).

The Application Narrative is comprised of the following sections:

- I. Project Checklist
- II. Development Team Information
- III. Project Information
- IV. Project Narrative

All sections of the Application Narrative are mandatory and must be completed to the best of the applicant's ability to be considered a complete application.

All submissions must be electronically submitted to EEHDP@URA.ORG

C. Evaluation Criteria and Application Review

Fully completed applications will be evaluated in accordance with the Evaluation Criteria for the EEHDP ([Exhibit F](#)). After project evaluation, URA staff will present the application to the ELTRIDRA Housing Committee and ELTRIDRA Board.

Applications will be evaluated using the criteria below:

- a. Readiness to Proceed
- b. Capacity of the Development Team
- c. Cost Reasonableness
- d. Compliance with EEHDP Funding Guidelines
- e. EEHDP Funding Leverage
- f. Non-Profit Participation
- g. Term of Affordability
- h. Energy Efficiency/Environmental Impact
- i. MWBE Participation

Application review may take up to sixty (60) days during which URA staff may contact applicants to discuss submitted materials. Selected applications will be advanced for approval consideration.

EEHDP funds are not guaranteed to any applicant, and are subject to availability.

D. Funding Approval

1. Authority to Approve

The ELTRIDRA Housing Committee shall timely process all applications and shall provide the ELTRIDRA Board with either an affirmative or negative written recommendation on the proposed project utilizing the framework put forth in the EEHDP Guidelines ([Exhibit A](#)). ELTRIDRA Housing Committee members shall vote on applications in order to form recommendations to the ELTRIDRA Board. The ELTRIDRA Housing Committee's written recommendation shall include a detailed explanation of any potential conflict of interests. The ELTRIDRA Board has final decision-making power.

2. Deadlines

The borrower must meet deadlines for submission of documents at each stage of the application process. Failure to meet the deadlines may result in the cancellation of the application and/or applicant's loss of a priority position in funding processing.

3. Written Commitment Letter

Approval shall be evidenced by a written commitment to the applicant. Further action toward closing on funding may not be taken until the applicant executes and returns a copy of the commitment letter. No construction activity may occur until after the EEHDP funding has been closed.

4. Written Rejection Letter

If a funding application is disapproved for EEHDP funds, the URA shall notify the applicant in writing. The rejection letter shall state the reason for rejection of the application.

5. Withdrawal of Application

An applicant may withdraw their EEHDP application at any time before closing by giving written notice to the URA. The applicant shall bear any costs incurred for items created for purposes of submitting an EEHDP application including, but not limited to, title examinations, credit reports and appraisals.

6. Funding Closing

- a. The loan or grant closing will be scheduled at a time acceptable to the borrower and the URA.

- b. The URA may charge the borrower for the following items which may be financed by the loan:
 - 1) Recording fees and recording taxes or other charges incidental to recordation
 - 2) Required survey charges and appraisal fee, if applicable
 - 3) Title examination and title insurance
 - 4) A construction services fee based on the number of units to be constructed or rehabilitated
 - 5) Other reasonable and customary charges or fees authorized by the URA

7. Taxes and Assessments

All taxes and assessments against the property to be developed under EEHDP which are due and payable shall be paid before or at closing.

E. Minority and Women-Owned Business Enterprise Participation (MWBE)

The URA is committed to diversity and inclusion within all of its programs and activities. The URA encourages the full participation of minority and women business owners and professionals in this effort. The URA requires that all respondents demonstrate a good faith effort to obtain minority and women-owned business enterprise participation in work performed in connection with URA projects. The URA acknowledges the City of Pittsburgh's goals of 18% minority-owned business enterprise participation and 7% of women-owned business enterprise participation. The successful applicant will be required to submit an MWBE plan as part of the project approval process. Any questions about MWBE requirements should be directed to mwbe@ura.org.

Specific to this RFP, the URA will require that all EEHDP borrowers demonstrate a good faith effort to obtain MWBE participation in work performed in connection with this program, including, but not limited to, construction requirements in the program guidelines ([Exhibit A](#)). Before a EEHDP loan or grant closing, a borrower will be required to work with the URA's MWBE Program Office to create a MWBE plan for the project/development. As referenced in the Attachments Checklist ([Exhibit E](#)), all applicants must provide a preliminary MWBE Narrative in order for their application to be considered complete and ready for review.

The MWBE Narrative briefly conveys, in written form, the applicant's understanding of and commitment to the aforementioned MWBE participation goals. Whereas, the MWBE Plan requires completion of a standardized Excel spreadsheet with specific information on the MWBE firms being provided with opportunities through applicant's EEHDP project.

F. Pre-Application Meeting

A non-mandatory Pre-Application Meeting will be held via Zoom on Friday, January 22, 2021 at 9:30 AM EST.

<https://zoom.us/j/99599087436?pwd=R0VDK29uYzF1bFcvRVFsRjk4Wjgwdz09>

Meeting ID: 995 9908 7436 Passcode: 2321877

This meeting is not mandatory for prospective applicants. This meeting serves as an opportunity to have questions answered about the RFP, submission process, the EEHDP guidelines, etc.

All questions and answers from the Pre-Application Meeting will be posted on the EEHDP’s Ion Wave Technologies posting as well as on the URA website.

G. Questions and Answers

Due to the rolling basis of the EEHDP application and selection process, RFP questions will be answered on an ongoing basis. All questions regarding this RFP should be submitted, and will be answered, through the Ion Wave Technologies platform and will be visible to anyone registered on the site.

H. RFP Anticipated Timeframe

RFP Issue Date	January 6, 2021
Pre-Application Meeting	January 22, 2021 at 9:30 AM EST
Due Date for Applications	Applications will be accepted on a rolling basis Submit all applications to EEHDP@URA.ORG

VIII. Other Information

Legal Information

The URA reserves the right to verify the accuracy of all information submitted and to make such investigation as it deems necessary to determine the ability of each applicant to perform the obligations in the response. The URA in its discretion reserves the right to reject any response when the available evidence or information does not satisfy the URA that the applicant is qualified to carry out properly the obligations of the response.

The URA shall be the sole judge as to which, if any, respondent(s) meet the selection criteria. The URA reserves the right, in its sole discretion, to reject any or all responses received, to waive any submission requirements contained within this RFP, and to waive any irregularities in any submitted response

This form is submitted subject to errors, omissions, and/or withdrawal without notice by the URA at any time.

By responding to this RFP, proposers acknowledge that the URA has no liability to any individual or entity related to this RFP or any proposal and/or the URA's use or nonuse of any such proposal.

All responses, including attachments, supplementary materials, addenda, etc. Shall become the property of the URA and will not be returned.

Respondents and team members must disclose any conflict of interest with regards to any other work performed by the respondent for the URA, ELTRIDRA, the City of Pittsburgh, or any related entity.

Non-Discrimination

The Urban Redevelopment Authority of Pittsburgh abides by all applicable laws and regulations regarding nondiscrimination and refrains from discriminating on the basis of age, race, color, religious creed, ancestry, national origin, sex, sexual orientation, gender identity, gender expression, political or union affiliation, and/or disability. No person shall be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination solely on the basis of any of the above factors under the loan and grant programs administered by the Urban Redevelopment Authority of Pittsburgh.