

Pittsburgh Downtown Conversion Program

Exhibit C - Application Narrative

Contents

I.	Project Check List	2
II.	Development Team Information (provide for each team member, as applicable)	3
III.	Project Information	4
IV.	Project Narratives.....	5
1.	Project Background	5
2.	Development Team	7
3.	Sources and Uses	14
4.	Development Budget	15
5.	Operating Budget and Pro-Forma.....	17
6.	Market Overview and Appraisal	18
7.	Term of Affordability.....	18
8.	Project Importance and Fair Housing	19
9.	Visitability.....	19
10.	Energy Efficiency/Environmental Impact.....	20
11.	Additional Information (Optional).....	21
V.	Excel Workbook.....	21

I. Project Check List

Check if statement is true.

- This project is currently vacant commercial space
- This proposed conversion will result in a minimum of 20% of all residential units in the project rented affordably to households at or below 80% AMI.
- The project will result involuntary displacement of existing commercial tenants.
- The project is in the Central Business District.
- The proposed project complies with all existing zoning requirements.
- The proposed project complies with Environmental and Historic Review requirements to the extent required by the Federal Government, the Commonwealth of Pennsylvania, and the City of Pittsburgh.
- None of the development team entities will use the property for a personal residence.
- The development team has site control extending at least 120 days beyond the date of submission and will acquire the property no later than the PDCP loan closing.
- The borrower and its principals are current on all federal, state, and local taxes.
- The borrower and its principals are current on all other URA financing related to previous projects
- If site control is via option to purchase, the date of option expiration is: _____

II. **Development Team Information** (provide for each team member, as applicable)

Entity	Firm Name	Firm Mailing Address	Firm Website Address	Federal Tax ID #
Borrower				
Developer (if different than borrower)				
Co-developer (if applicable)				
Architect				
General Contractor				
Property Manager				
Services Provider				
Development Consultant				
Tax Credit Investor (If Applicable)				
Proposed First Mortgage Lender				
Construction Manager				

III. Project Information

1. **Project Name**

2. **Project Address**

3. **Total Development Cost**

4. **Total PDCP Funding Request**

5. **Total Number of Project Units (Market + Affordable)**

	Number of Units	PDCP Maximum Funding	Requested PDCP Funding per Unit	Total Requested PDPC Funding
Affordable to ≤50% AMI		\$100,000/unit \$3,000,000/project		
Affordable to ≤60% AMI		\$80,000/unit \$2,000,000/project		
Affordable to ≤80% AMI		\$60,000/unit \$1,000,000/project		
Total PDPC Funding				

2022 Pittsburgh AMI Limits				
Household Size	30% AMI	50% AMI	60% AMI	80% AMI
1 person	\$ 19,920	\$ 33,200	\$ 39,840	\$ 53,120
2 people	\$ 22,770	\$ 37,950	\$ 45,540	\$ 60,720
3 people	\$ 25,620	\$ 42,700	\$ 51,240	\$ 68,320
4 people	\$ 28,440	\$ 47,400	\$ 56,880	\$ 75,840
5 people	\$ 30,720	\$ 51,200	\$ 61,440	\$ 81,920
6 people	\$ 33,000	\$ 55,000	\$ 66,000	\$ 88,000
7 people	\$ 35,280	\$ 58,800	\$ 70,560	\$ 94,080
8 people	\$ 37,560	\$ 62,600	\$ 75,120	\$ 100,160

6. Uses of Adjacent Properties

On right and left sides

At rear

In front, across street

IV. Project Narratives

1. Project Background

Briefly summarize the nature of the loan request, and a brief description of the project. Include the project’s history and intended impact.

What role has the community played in developing this project?



Is any portion of the property occupied? Will there be any temporary relocation?



What is the timeline to begin and complete construction?



2. Development Team

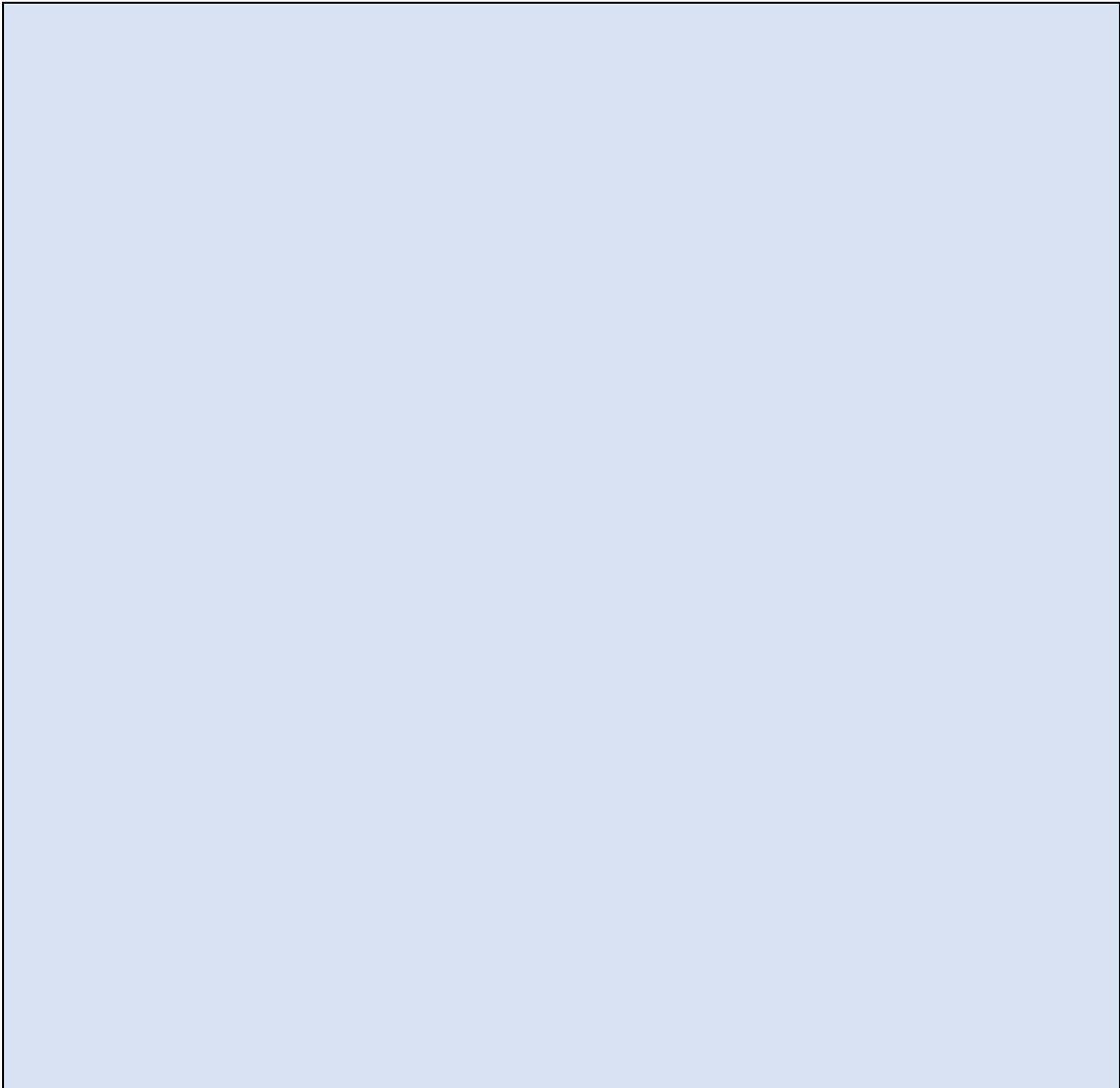
Describe the relationship among the development team members. Which team members have worked together on previous projects? Do any members share identity of interest?

Have any team members been disbarred? If yes, please explain. ___ Yes ___ No

In the team member descriptions below, please indicate which projects which have received URA funding, if any.

DEVELOPER

- Summarize the qualifications and experience with projects of similar size, type, and financing. List the specific projects the developer had completed which are most comparable.
- Provide an overview of the financial position of the developer. Highlight organizational financial strengths as demonstrated in the financials and address any issues (including liquidity, negative cashflow, or contingent liabilities) which might arise in review of the financials.

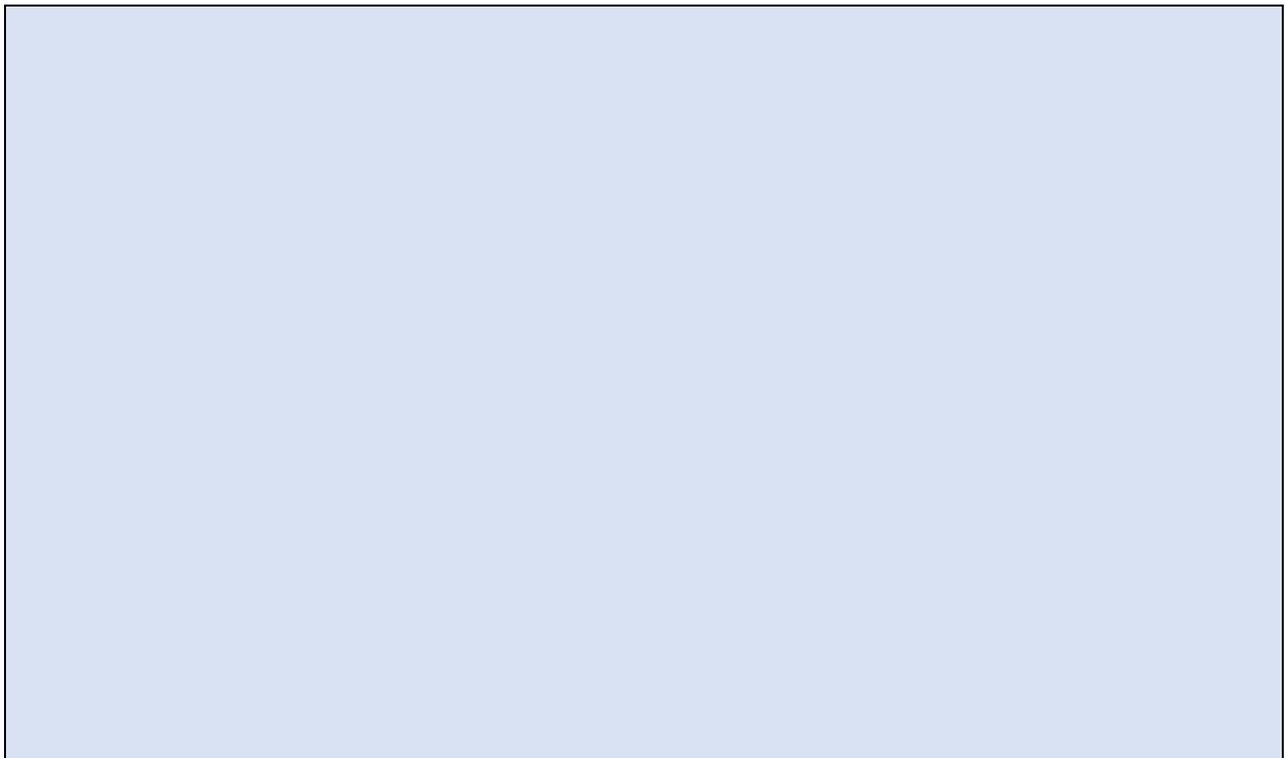


BORROWER/APPLICANT

- Describe below the legal structure(s) and dates of organization of the borrower and applicant, including all related entities. Include legal organizing documents as ATTACHMENT 1. Include an organizational chart describing the relationship of the borrower and applicant to ALL related entities which are part of the development team as ATTACHMENT 2. Indicate those who are the principals of the borrower and applicant and all other related entities that are part of the development team.

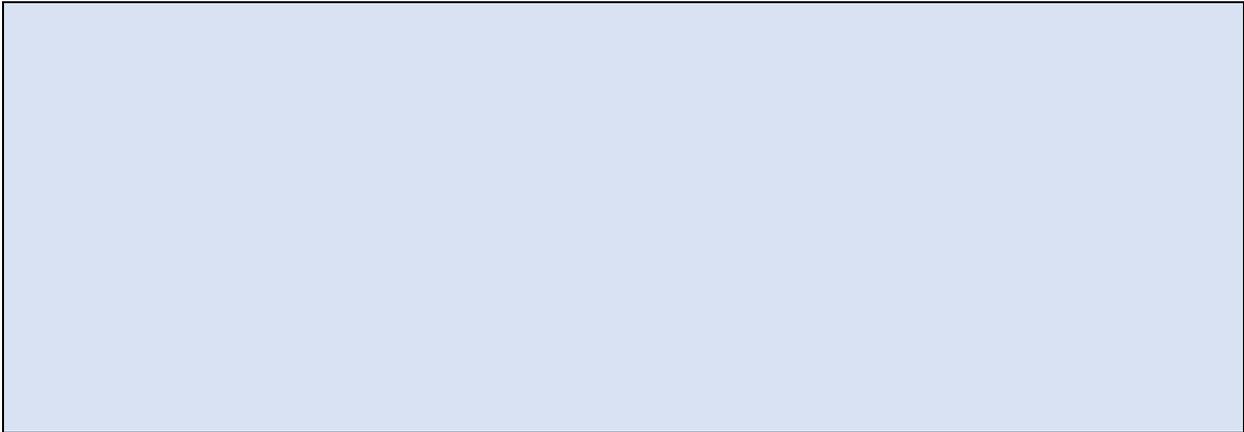
For any entity with a 20% or greater ownership stake in the borrower and/or applicant:

- Provide an overview of the financial position of the borrower/applicant (and any guarantor). Highlight organizational financial strengths as demonstrated in the financials and address any issues (including liquidity, negative cashflow, or contingent liabilities) which might arise in review of the financials.
- Include 3 years of audited financial statements and current management statements, or, if the borrower/applicant does not have audited financial statements, provide 3 years of management statements plus annual tax returns including attachments, as ATTACHMENT 3.
- A completed Qualified Borrower Check is required for all entities with a 20% or greater ownership stake in the borrower and/or applicant. [Fill out this form](#) and submit as ATTACHMENT 4.



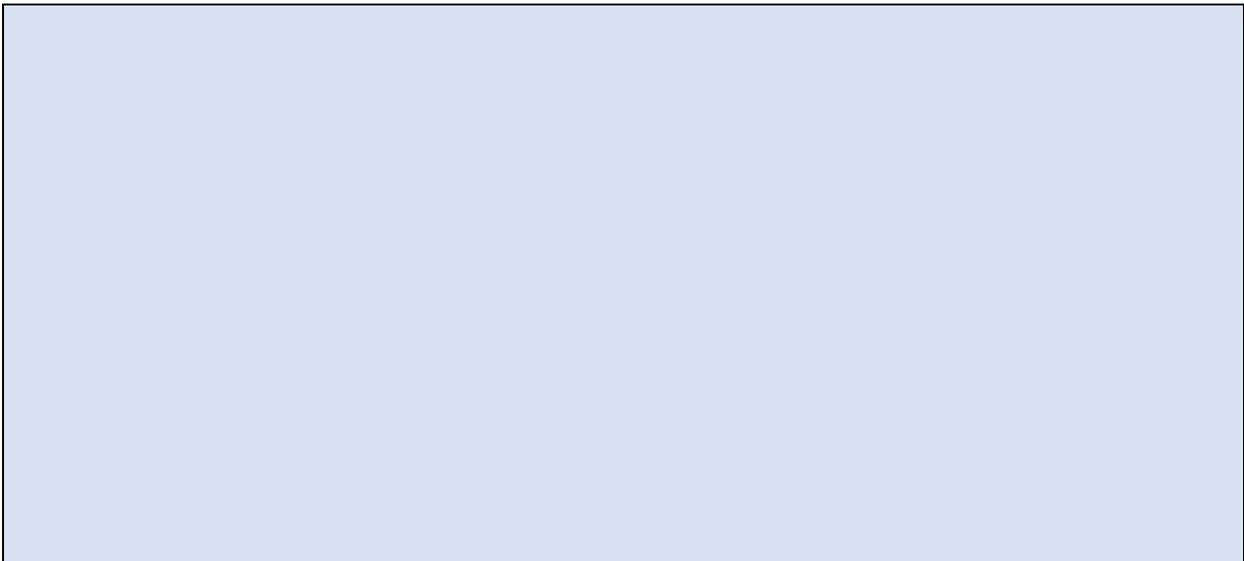
GENERAL CONTRACTOR

- Explain the qualifications of the selected or anticipated contractor, including the age of the firm. Explain the selection process: competitive bid, negotiation, RFP, etc.



ARCHITECT

- Describe the experience and qualifications of the design firm, with emphasis on most comparable projects.



PROPERTY MANAGEMENT

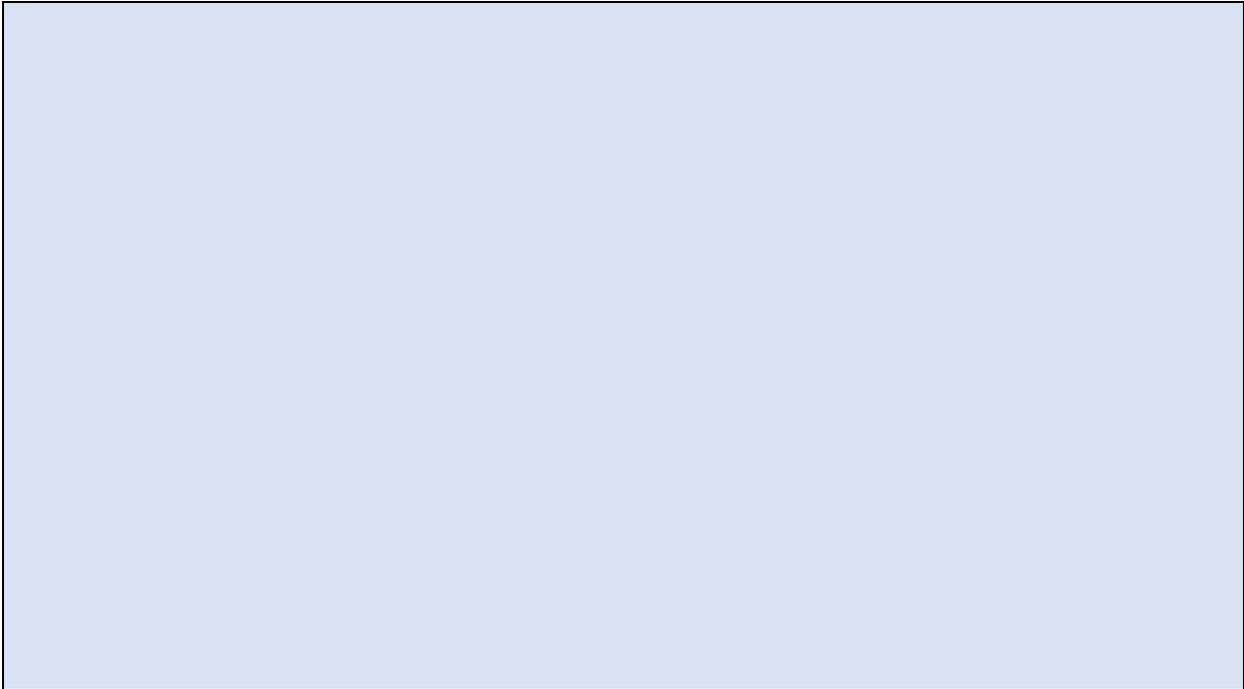
- Detail the qualifications, and the number of properties and units managed. Identify the most comparable projects.
- What is the number and type of staff?
- Is it a non-profit or for-profit company? ____ Non-profit ____ For-profit

CONSULTANT

- If used, explain qualifications and experience, as well as the role this individual or firm will play in the project. (Examples of the types of consultants to describe, if used, include: development, relocation, green building)

CONSTRUCTION MANAGER

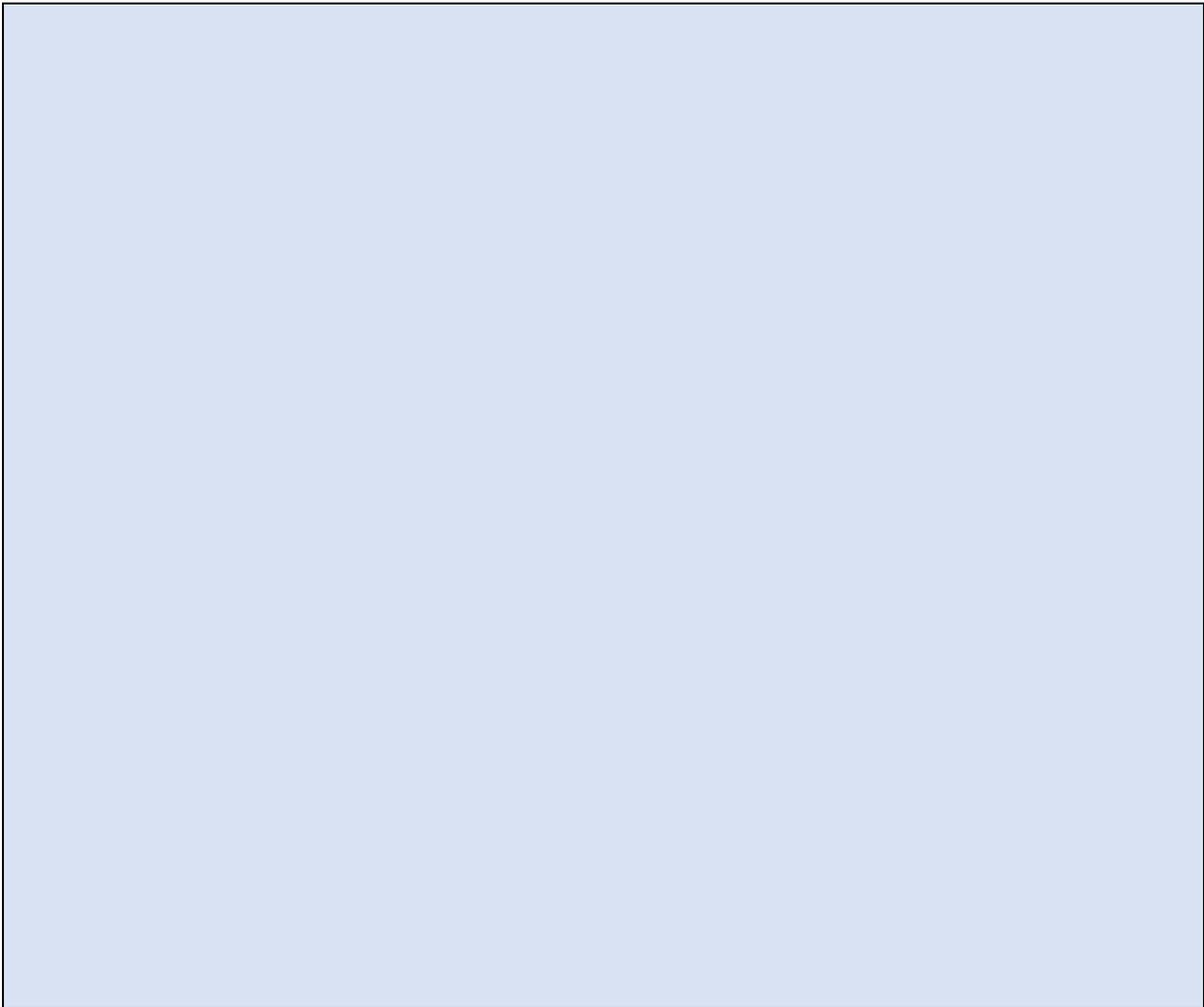
- If any, describe their experience managing this scale and type of construction project.

**Minority and Women Business Enterprise (M/WBE)**

- All proposals must include a [1-2 page MWBE Narrative](#) on the Borrower's letter-head acknowledging the URA's policy of 18% Minority-Owned Business participation and 7% Women-Owned Business participation for projects with total project costs exceeding \$250,000. This should be submitted as ATTACHMENT 5. MWBE Narratives may outline planned outreach efforts, vendors already under agreement for the project, the developer's history with MWBE requirements on other projects, etc.
- A complete Final MWBE Plan will be submitted to URA Staff prior to loan closing.

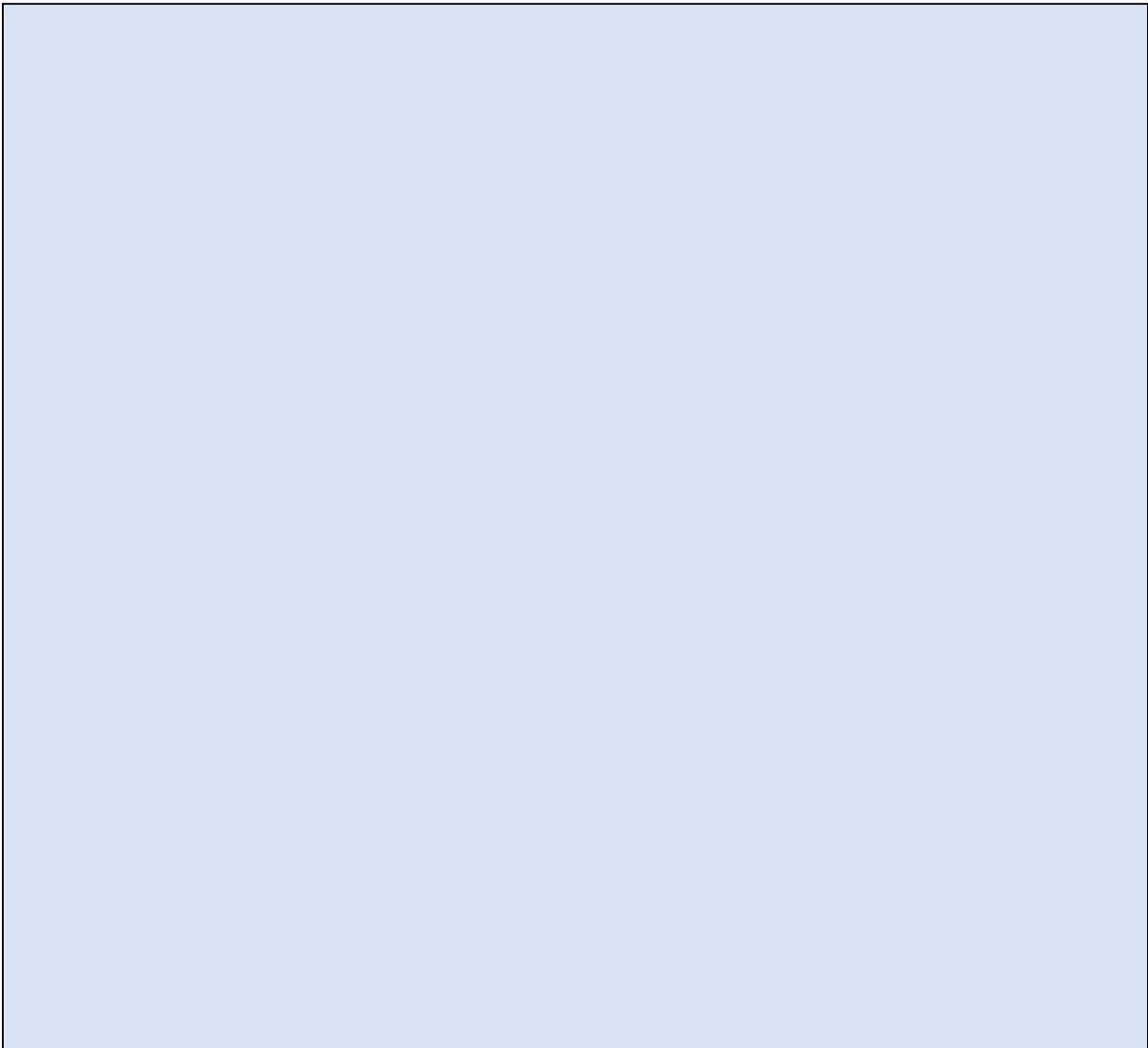
SERVICE PLAN AND PROVIDER (IF ANY)

- Describe the services to be provided to tenants and state who will provide those services.
- What is the provider's experience with the project population? What is the provider's experience working with this property manager and/or owner?
- Is there appropriate space available for the projected on-site services? ___ Yes ___ No
- Attach a services budget as ATTACHMENT 6 and a service agreement, MOU, or letter of commitment with provider as ATTACHMENT 7.



3. Sources and Uses

- Describe the general financing structure of the project in the space below.
- For each Committed source, include commitment letter as ATTACHMENT 8.
- For any potential source applied for but not yet committed, include amount applied for, timeline for commitment and contact information below.
- Describe any existing debt secured by project property, and whether it will remain in place at closing of the PDCP loan.
- Is this project funded by 4% LIHTC, 9% LIHTC, New Markets Tax Credits, Federal Home Loan Bank Affordable Housing Program funds, or Historic Tax Credits? If so, please describe the tax credit financing structure in this section below.



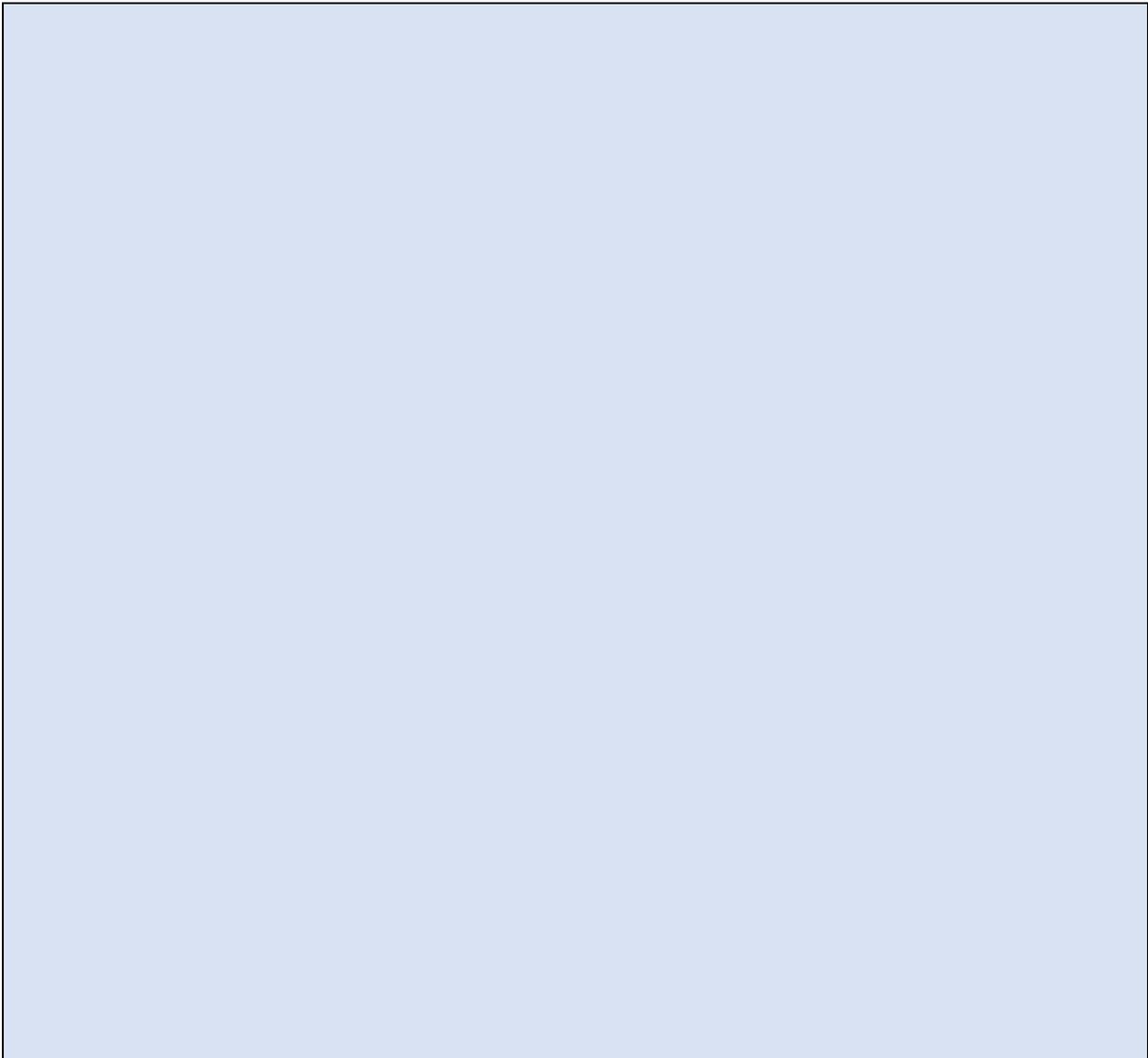
4. Development Budget

For LIHTC Applicants only: are there any cost items which will require a waiver from PHFA?

___ Yes ___ No

COST COMPARISON

- Explain why costs are reasonable for this project. Address any specific costs which might fall outside the range of expectations and provide an explanation for higher or lower than typical expenses.



CONSTRUCTION COSTS

- Describe the construction, including any special features.
- Include bids, plans, and drawings as ATTACHMENT 9. (Signed, sealed and dated construction documents are preferred, however PDCP will accept construction documents at 50% or greater.)
- How were the construction costs calculated?
- Is there a contract with a contractor? ___ Yes ___ No
 - If so, include as ATTACHMENT 10.
- How was the level of capitalized reserves determined? (Rental projects only)
- Is there a capital needs assessment? ___ Yes ___ No
 - If so, include as ATTACHMENT 11.

OTHER DEVELOPMENT COSTS

- Describe any additional development costs that have not yet been discussed.

5. Operating Budget and Pro-Forma

Please note that the total rent plus all utilities for PDCP assisted units cannot exceed 30% of the applicable income range (50%, 60%, and/or 80% AMI).

RENTAL REVENUE

- What factors were considered in setting the rent?
- What percentage is the proposed rent of the maximum allowable rent? _____

SUBSIDY REVENUE

- Does the operating budget reflect operating subsidies? ___ Yes ___ No
- If so, are subsidies committed or applied for? Explain.

UTILITY EXPENSES

- What information has been used to calculate monthly utility expenses? What utilities are residents responsible for?

OVERALL OPERATING EXPENSES

- What is the annual operating expense per unit? _____
- Explain why this is an appropriate rate for this property.

6. Market Overview and Appraisal

DEMAND

- Describe the demand for this project.
- If market rate units are involved in the conversion, explain how market rate rental rates were determined.

APPRAISAL

- If the property is being acquired, or has been acquired within the past 2 years, what is the appraised value? _____
- What is the date of the appraisal? _____
- Include an appraisal (if applicable) as ATTACHMENT 12.
- If acquisition is part of the proposed project, provide an executed Sales/Option Agreement as ATTACHMENT 13

7. Term of Affordability

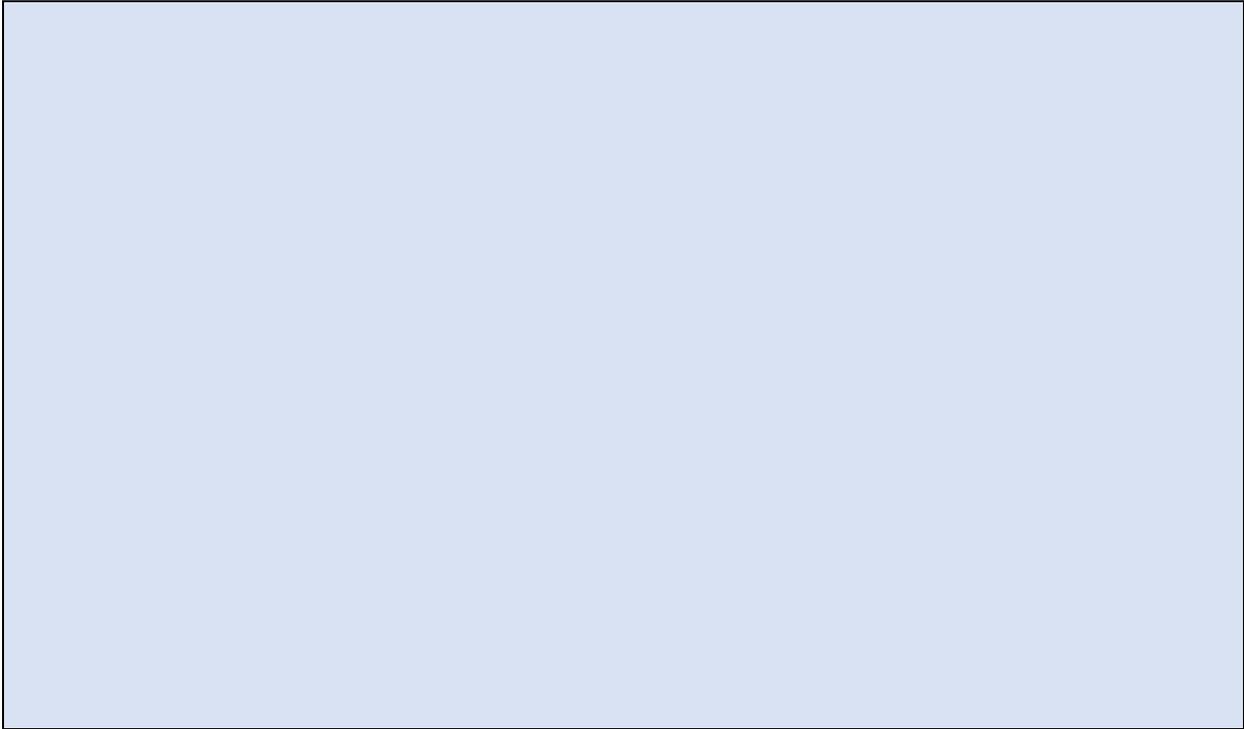
The minimum term of affordability is 40 years. Affordability will be enforced through a recorded mortgage and restrictive covenant. Priority is awarded for terms of affordability that exceed PDCP minimums.

What is the term of affordability? _____

Describe below if other lenders involved with this project require certain affordability requirements (may include ground lease, deed restriction and covenants).

8. Project Importance and Fair Housing

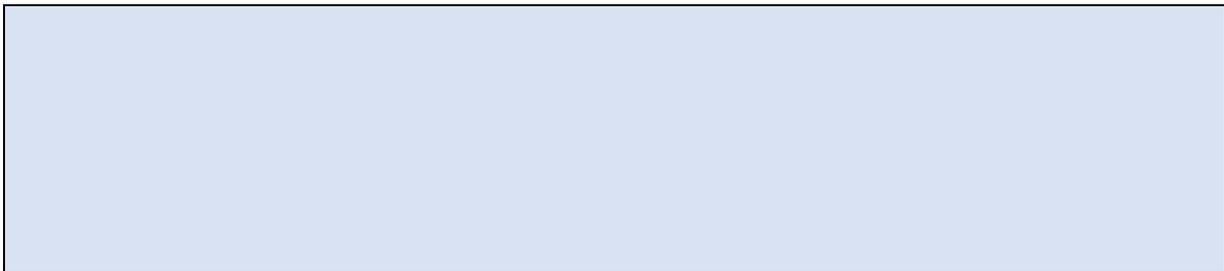
Discuss the importance of the transaction to the applicant, the neighborhood, and the City.



ATTACHMENT 14 – Provide a completed [Affirmative Fair Housing Marketing Plan](#)

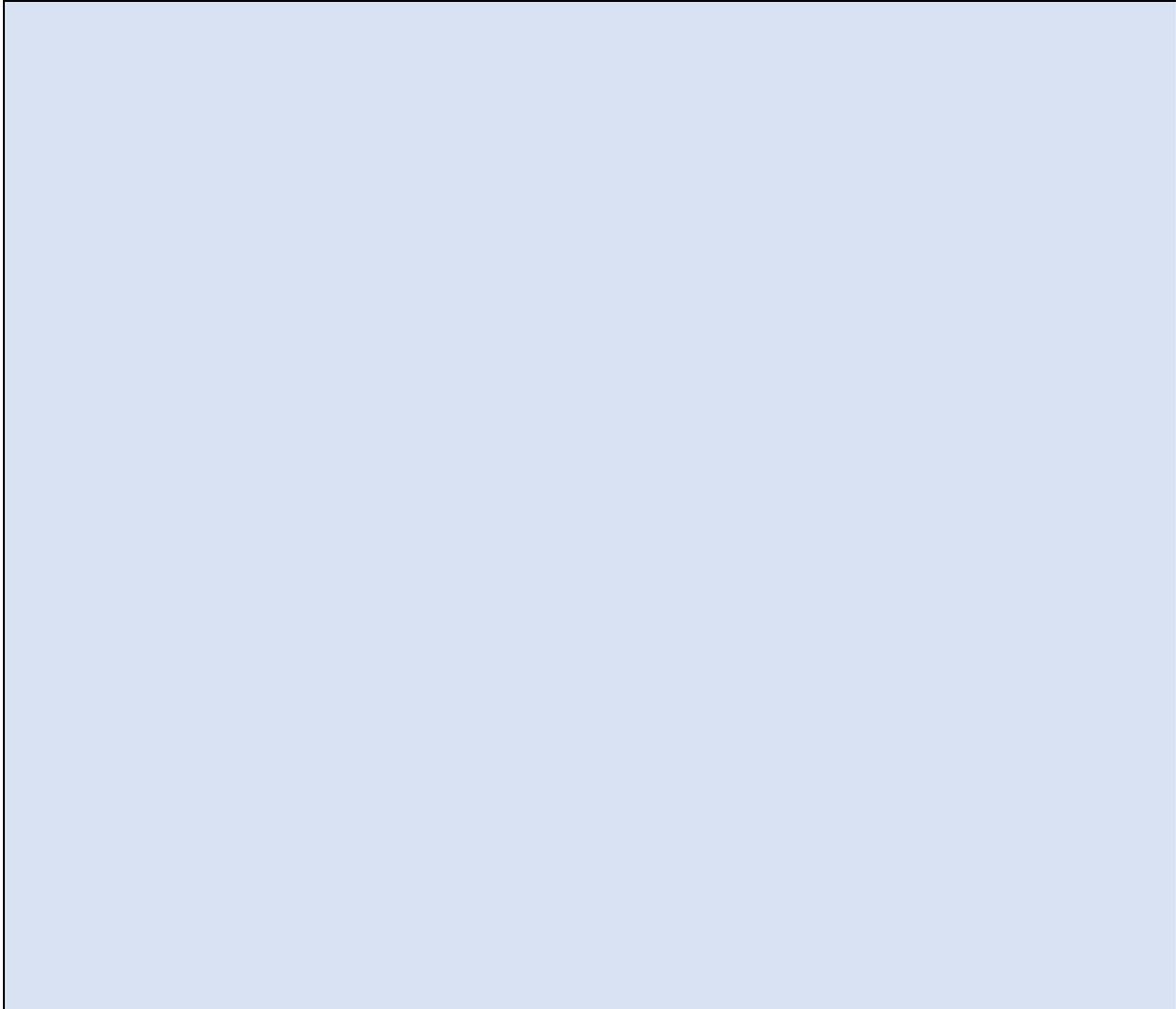
9. Visitability

All units in PDCP projects must meet visitability standards to the greatest extent feasible. Describe below how this project will address issues related to visitability.



10. Energy Efficiency/Environmental Impact

Provide as much detail as possible to explain the ways in which the project will achieve energy efficiency above expected baseline. Include information about building materials, building systems, appliances, and if any energy efficiency certifications are being sought for the project (i.e. Enterprise Green Communities, LEED, WELL, DOE Zero Energy Homes, etc.).



11. Additional Information (Optional)

If there is any additional information about the project that the Applicant believes is significant to this application, please use the section below to provide such information, and/or supply additional attachments if necessary.



V. Excel Workbook

Complete the [Excel workbook](#) portion of the application and include as ATTACHMENT 15.