

Rental Gap Program (RGP)

Application Narrative

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I. Project Check List

Check if statement is true.

- All RGP funds will be used for predevelopment, acquisition, and/or construction of rental housing affordable to households at or below 50% AMI, and for supportive services associated with HOF-funded units.
- The property includes at least 4 affordable units.
- The development team includes a non-profit applicant.
- The project will result in no involuntary permanent displacement of existing residents.
- The property is located in the City of Pittsburgh.
- 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 RGP closing.
- The borrower and its principals are current on all federal, state, and local taxes.
- If site control is via option to purchase, the date of option expiration is: _____
- Borrower is providing equity equal to or exceeding 10 percent of the total development costs.

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 | | | | |
| Non-profit Applicant (if Developer is for-profit developer) | | | | |
| 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 Location

Please check one of the below:

Single Structure Multiple Contiguous Structures Scattered Site

3. Total Development Cost

4. Total RGP Funding Request

| | Number of Units | RGP Maximum Funding | Requested RGP Funding per Unit | Total Requested RGP Funding |
|---|-----------------|--------------------------------------|--------------------------------|-----------------------------|
| Affordable to ≤30% AMI | | \$60,000/unit | | |
| Affordable to ≤50% AMI | | \$30,000/unit | | |
| Development Subtotal | | | | |
| Units for which funding for services is requested | | \$10,000/unit | | |
| Total RGP Funding | | \$1,250,000 – max per project | | |

2024 Pittsburgh Area Median Income Limits

| Number of people in home | 30% | 50% | 60% | 80% | 115% |
|--------------------------|----------|----------|----------|-----------|-----------|
| 1 | \$21,240 | \$35,400 | \$42,480 | \$56,640 | \$81,420 |
| 2 | \$24,300 | \$40,500 | \$48,600 | \$64,800 | \$93,150 |
| 3 | \$27,330 | \$45,550 | \$54,660 | \$72,880 | \$104,765 |
| 4 | \$30,360 | \$50,600 | \$60,720 | \$80,960 | \$116,380 |
| 5 | \$32,790 | \$54,650 | \$65,680 | \$87,440 | \$125,695 |
| 6 | \$35,220 | \$58,700 | \$70,440 | \$93,920 | \$135,010 |
| 7 | \$37,650 | \$62,750 | \$75,300 | \$100,400 | \$144,325 |
| 8 | \$40,080 | \$66,800 | \$80,160 | \$106,880 | \$153,640 |

5. 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 the property occupied? Will there be any temporary relocation? No existing residents may be permanently displaced by a project seeking RGP funding.

What is the timeline to begin and complete construction?

2. Development Team

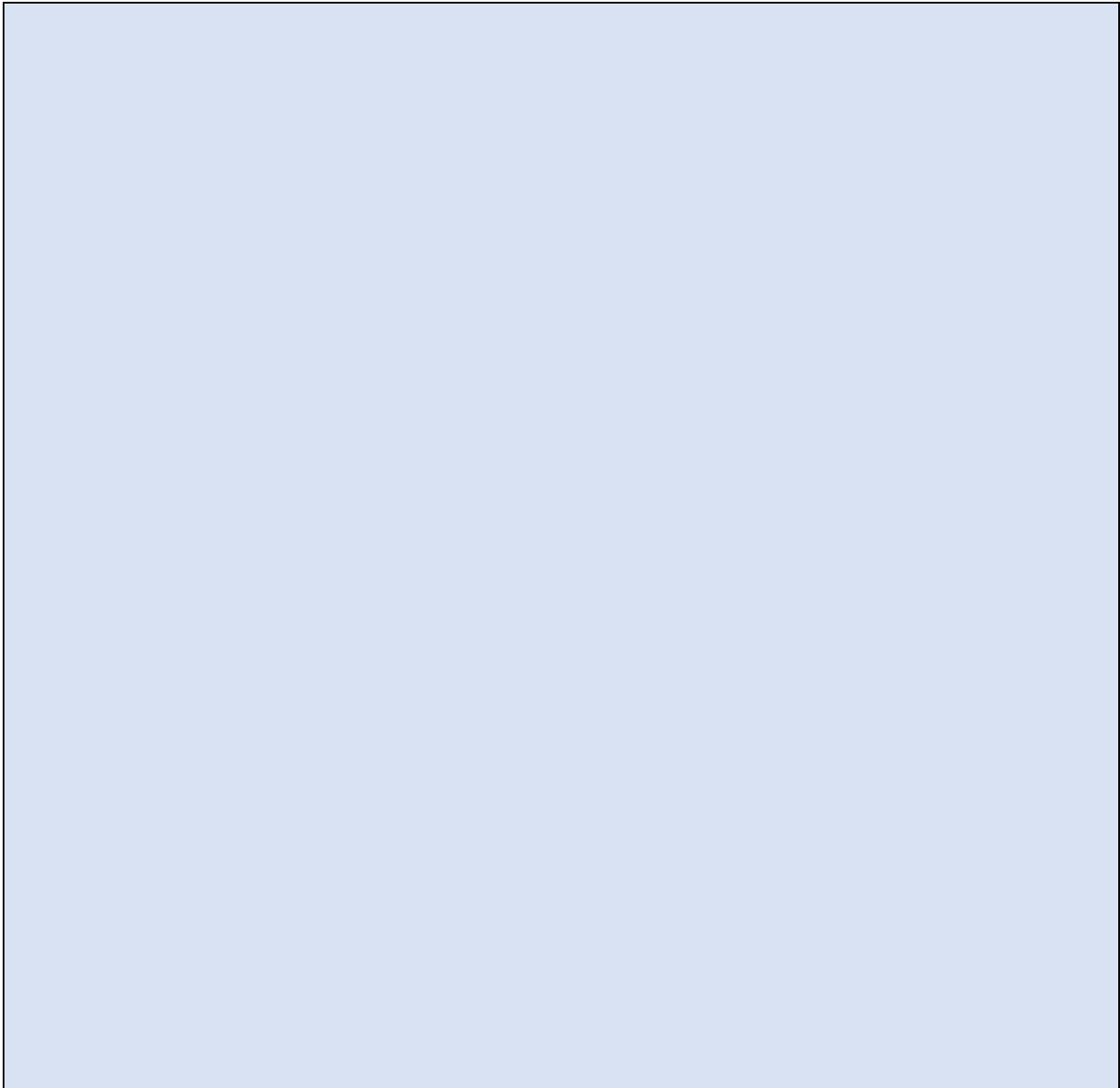
Describe the relationship among the development team members. Which team members have worked together on previous projects? Do any members share identity of interest?

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

In the team member descriptions below, please indicate which past 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.

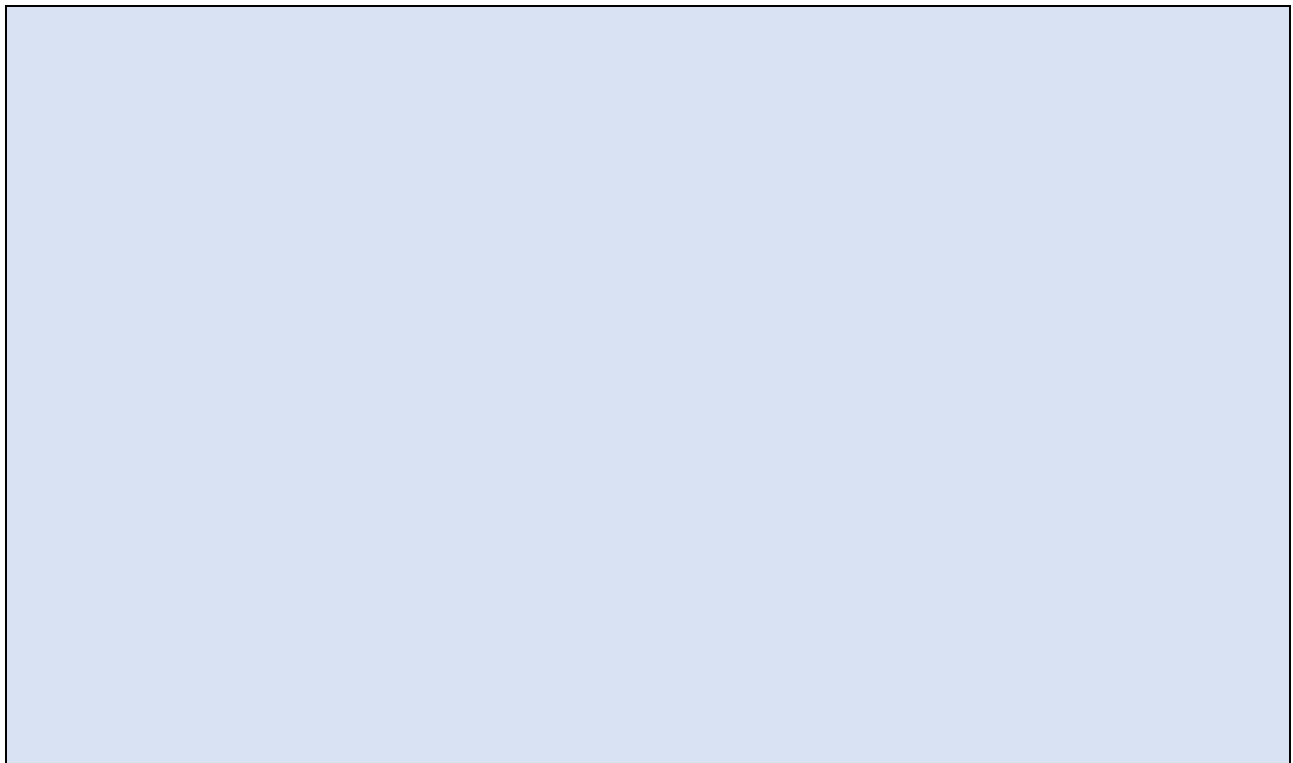


BORROWER/APPLICANT

- 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.

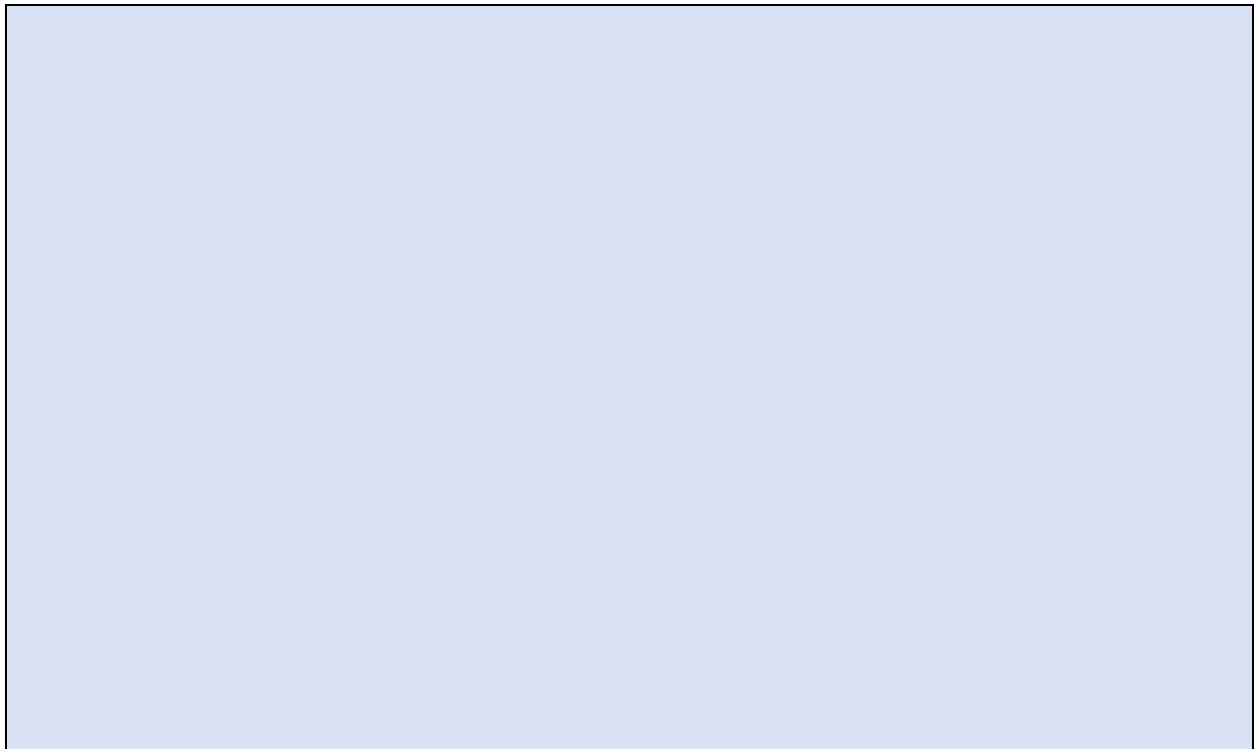
For any entity with a 20% or greater ownership stake in the borrower and/or applicant:

- 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.



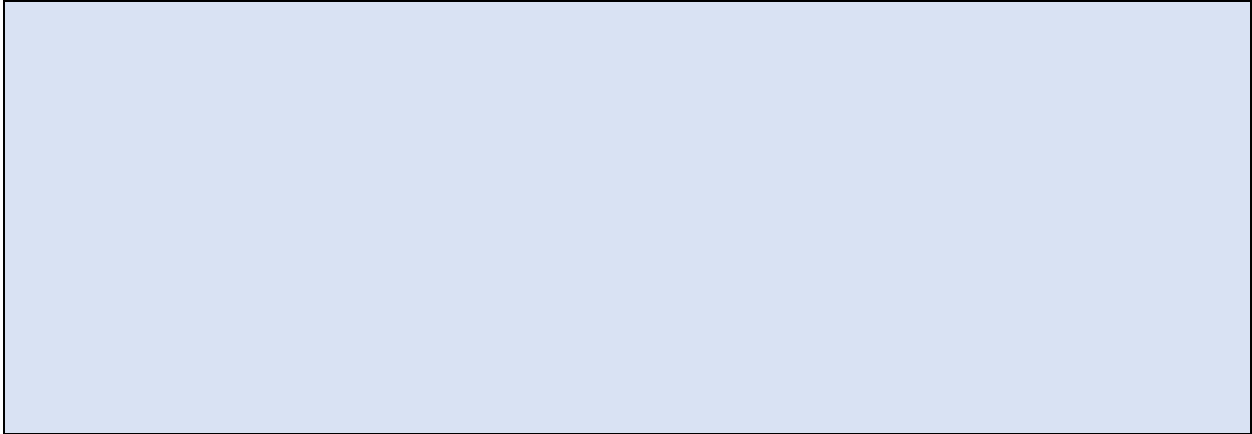
NON-PROFIT APPLICANT

- What is the non-profit's role in this project? Priority is given to projects including non-profit applicants with significant decision-making roles, such as developer, co-developer, or property manager.
- Discuss the overall composition of the board (number of members, % within the neighborhood), and names of key board members.
- Describe when was the organization incorporated.
- Include as ATTACHMENT 5 the Articles of Incorporation, bylaws, and IRS determination letter confirming 501©3 status of the Non-Profit Applicant.
- If the non-profit applicant is not also the borrower/applicant, a written agreement, signed by both parties, describing the roles and relationship between the entities is required. Is there a written agreement? ___ Yes ___ No
 - If yes, include as ATTACHMENT 6.



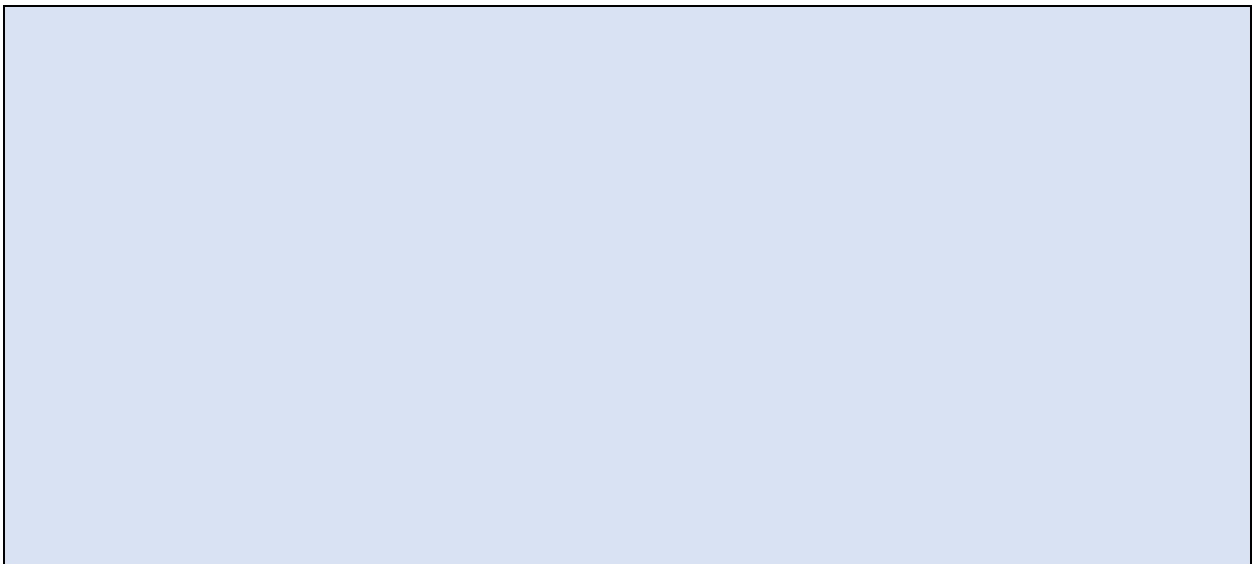
GENERAL CONTRACTOR

- 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

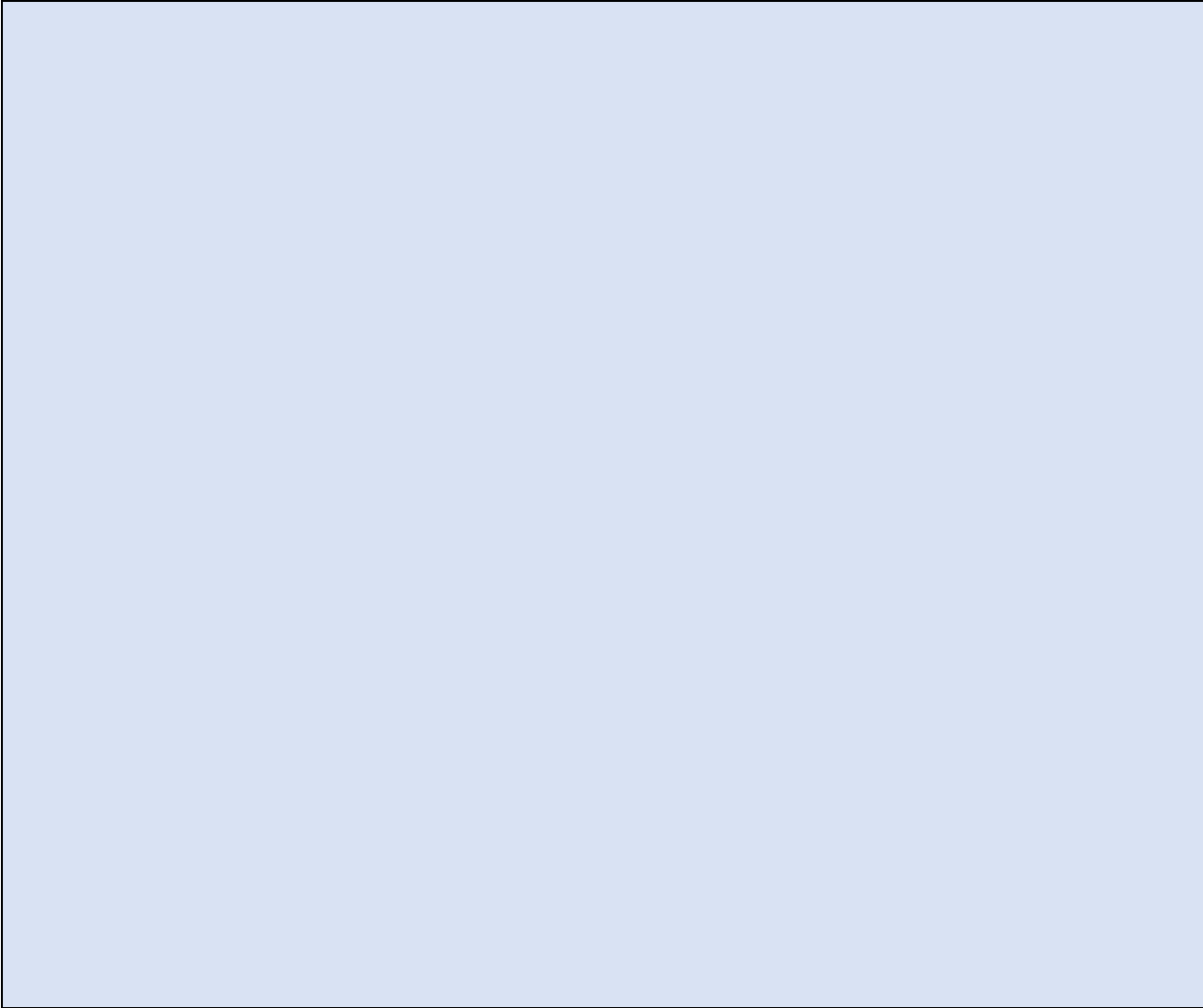
- If any, describe their experience managing this scale and type of construction project.

**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 7. 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.
- All proposals with Total Development Costs over \$500,000 must submit a Minority Workforce Inclusion (MWI) Narrative detailing how the respondent plans to meet the URA's expressed MWI goal of 12 percent. [Learn more about the narrative requirements here.](#)
- All proposals must include an [MWBE Total Project Cost calculator](#). The calculator establishes a baseline calculation of MWBE spending targets for the project based upon 18% MWBE and 7% WBE participation.
- A complete Final MWBE Plan will be submitted to URA Staff prior to loan closing.

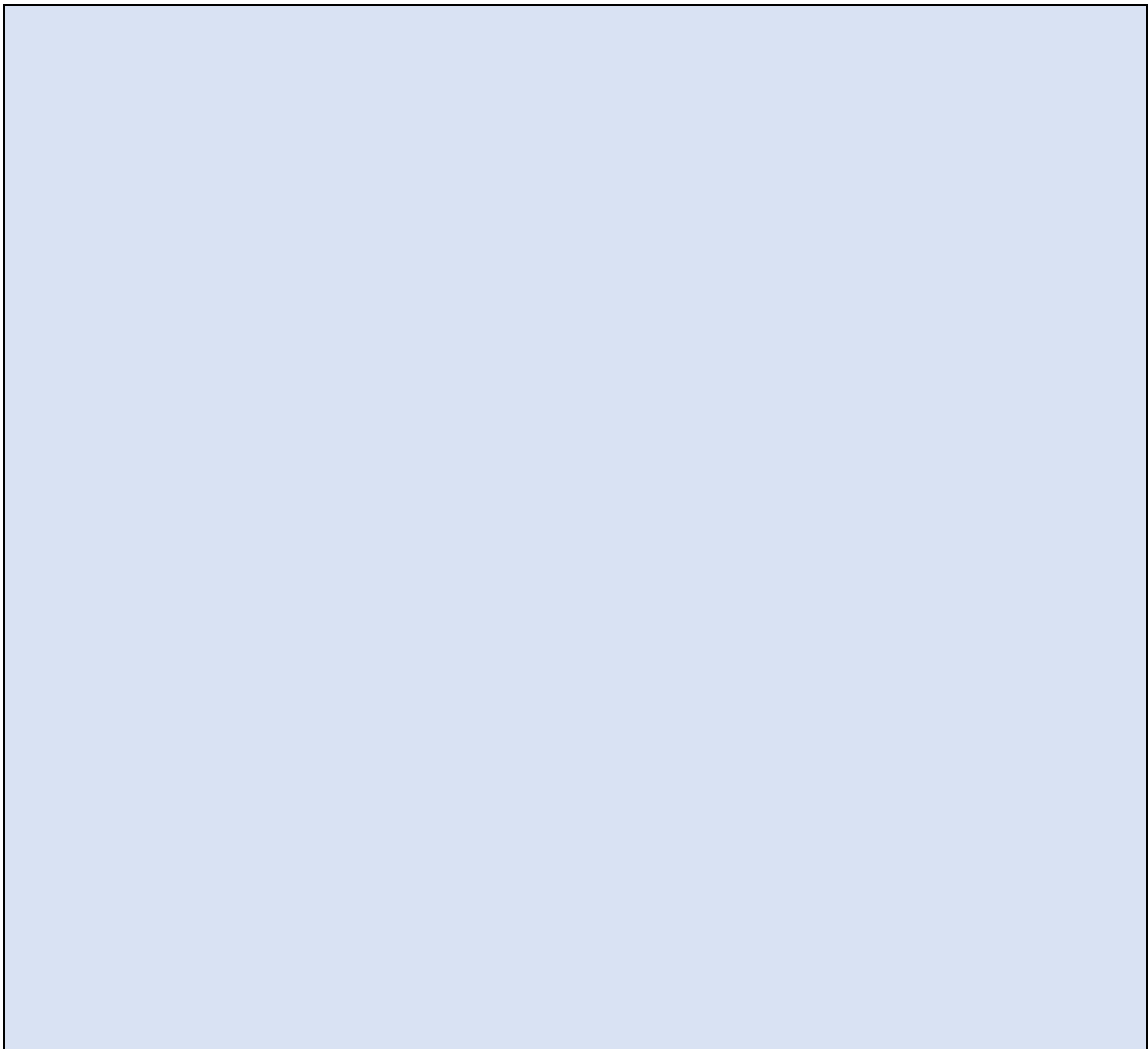
SERVICE PLAN AND PROVIDER (IF ANY)

- 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 8 and a service agreement, MOU, or letter of commitment with provider as ATTACHMENT 9.



3. Sources and Uses

- Describe the general financing structure of the project in the space below.
- Complete the Sources and Uses Tab in the Excel workbook (see Section V).
- For each Committed source, include commitment letter as ATTACHMENT 10.
- 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 RGP loan.
- Is this project funded by 4% LIHTC, New Markets Tax Credits, or Historic Tax Credits? If so, please describe the tax credit financing structure in this section below.



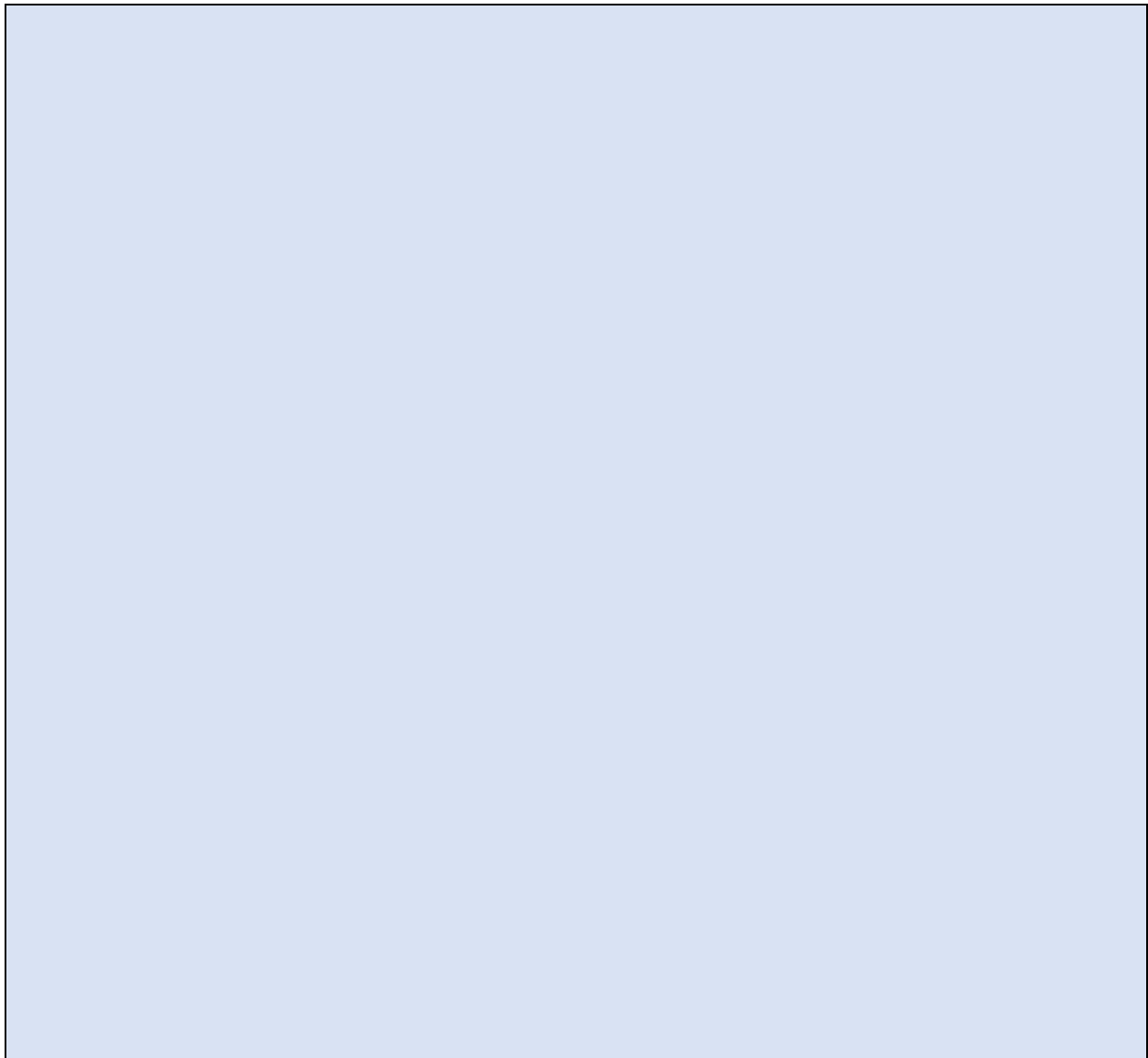
4. Development Budget

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

___ Yes ___ No

COST COMPARISON

- Complete the cost comparison chart included in the Excel notebook (Section V) (PHFA median construction costs)
- What % of the applicable median is the project cost? _____
- Explain why this is 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 11. (Signed, sealed and dated construction documents are preferred, however RGP 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 12.
- How was the level of capitalized reserves determined?
- Is there a capital needs assessment? ___ Yes ___ No
 - If so, include as ATTACHMENT 13.

OTHER DEVELOPMENT COSTS

- Describe the results of any environmental testing. Where in the budget is any needed remediation included?
- Will temporary relocation be required? ___ Yes ___ No
 - If so, please describe the staffing, URA reserves the right to review additional information regarding information. the answer is yes to either, complete the relocation budget in the Excel workbook (Section V).
 - What is the total relocation expense? How will relocation be staffed?

5. Operating Budget and Pro-Forma

Please note that the total rent plus all utilities for RGP assisted units cannot exceed 30% of the applicable income range (30% AMI or 50% AMI). Maximum gross rents by unit type are listed [here](#). Utility allowances (**deducted** from gross rent for any utilities not paid by owner) shall be calculated per [this exhibit](#). If Applicant chooses to use a different utility calculation, please explain/attach this calculation.

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 owner's utility expense? What utilities are residents responsible for? (NOTE: Unless all utilities are included in rent, resident utility allowance shall be calculated per [this exhibit](#) and subtracted from gross rent. If Applicant chooses to use a different utility calculation, please explain/attach this calculation).

OVERALL OPERATING EXPENSES

- What is the 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. What is the market area this project will serve?
- What are typical vacancy rates for this type of project, in this area?
- What are typical rents for comparable projects in this area?

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 14.

7. Term of Affordability

The minimum term of affordability is 40 years. Affordability will be enforced through a recorded mortgage and restrictive covenant. Priority points are awarded for enforceable terms of affordability above 40 years.

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. How will the residents benefit from the project?

Fair Housing

Select all of the following Fair Housing considerations that will apply to the proposed project:

- Provide a preference for an agreed upon percentage of units to rental voucher-holders and develop marketing and tenant selection policies and procedures that are least likely to exclude voucher-holders.

- Provide preference for an agreed percentage of units to families that are currently rent-burdened, have experienced a no-fault eviction, or have experienced eviction but now display the ability to pay and develop marketing and tenant selection policies and procedures that least likely to exclude preferred tenants

- Allow last month's rent and security deposit to be paid in installments for affordable rental units included in the project.

- Agree to best practices in marketing the market-rate units that are inclusive of and welcoming to members of protected classes

ATTACHMENT 15 – Provide a completed [Affirmative Fair Housing Marketing Plan](#)

Up to 10 points are available under the Housing Metric in the RGP Proposal Evaluation Criteria. Describe the ways the project meets the Housing Metric. Be specific about each scoring criteria the project meets, and *how* it meets the scoring criteria.

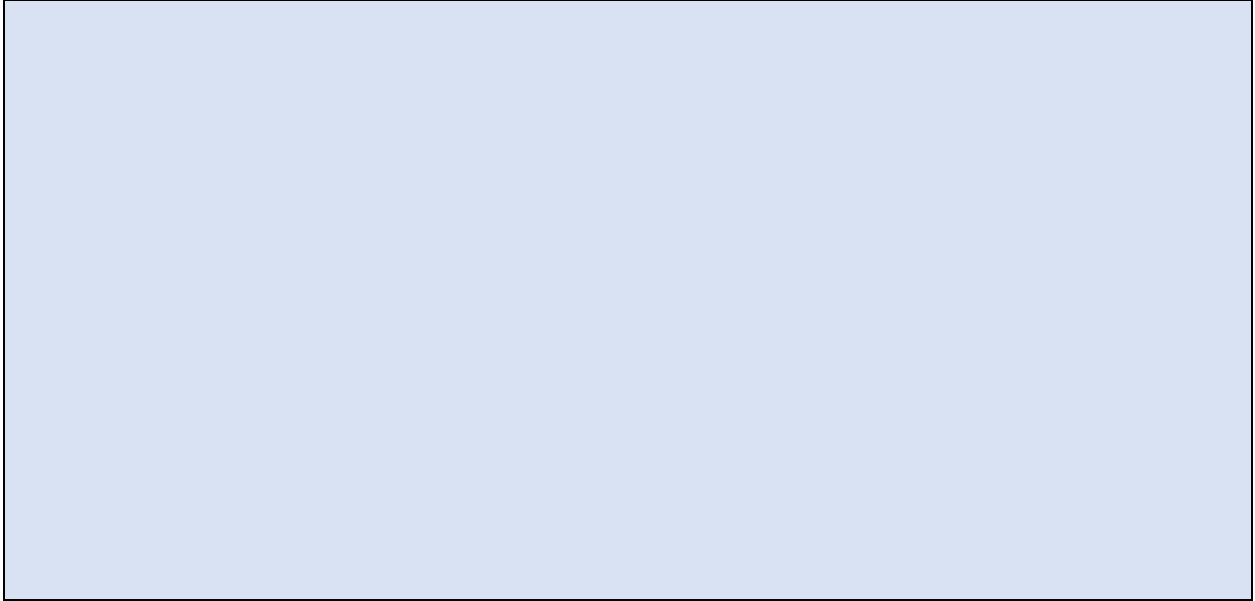
Up to 15 points are available under the Energy Metric in the RGP Proposal Evaluation Criteria. Describe the ways the project meets the Energy Metric and/or other building certifications being pursued. Be specific about each scoring criteria the project meets, and *how* it meets the scoring criteria. List applicable

Up to 10 points are available under the Connect Metric in the RGP Proposal Evaluation Criteria. Describe the ways the project meets the Connect Metric. Be specific about each scoring criteria the project meets, and *how* it meets the scoring criteria.

Describe efforts related to accessibility and visitability. How many units will be accessible to individuals with mobility impairments? How many units will be accessible to individuals with sensory impairments?

9. Additional Information (Optional)

This section does not count for any additional points, however 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 16.