Allies & Ross
Management and Development Corporation
200 Ross Street
Pittsburgh, PA 15219

412-456-5000

February 13, 2017

Allies & Ross Management and Development Company
RFP#2017-18

NORTHVIEW MIDRISE- LOW INCOME HOUSING TAX CREDIT INVESTOR AND/OR CONSTRUCTION AND/OR PERMANENT LENDER

ADDENDUM NO. 4

This addendum issued February 13, 2017 becomes in its entirety a part of the Request for Proposals RFP#2017-18 as if fully set forth herein:

Item 1: **Q.** Will the cash be able to be structured to disaffiliate the ownership entity from ARMDC and HACP? We would look to structure this to rely on the HACP contribution/soft loan to be structured to classify it partnership nonrecourse to limit any loss reallocations to the investor?

A. Please indicate in your response if your proposal presumes disaffiliation as a condition to your investment. HACP is not willing to structure the ownership entity to disaffiliate from ARMDC and HACP.

Item 2: **Q.** There is no draw schedule. We wanted to inquire if there will be another addendum that will either have a draw schedule or material that will provide us with information on ARMDC's requested construction loan amount.

A. Attached please find a draw schedule. The estimated construction loan needed is approximately $3.5 million. **Attachment D – Construction Draw Schedule**

Item 3: For all proposals to provide permanent financing, please indicate in your response the expected timeframe to execute on a given financing proposal. For example, if you are proposing an FHA-insured loan, please indicate the timing expected to receive a commitment and then to close on financing. If you are proposing conventional permanent financing, please indicate the timing expected to receive a firm commitment and then to close on that financing.

Item 4: The Proposal due date, time and location remain unchanged at February 17, 2017 at 10:00 a.m., at HACP Procurement Dept., 100 Ross St. 2nd Floor, Suite 200, Pittsburgh, PA 15219.

END OF ADDENDUM NO. 4

Kim Detrick

Mr. Kim Detrick
Procurement Director/Contracting Officer

February 13, 2017
Date

Management and
Development
Corporation

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NORTHVIEW MIDRISE- LOW INCOME HOUSING TAX CREDIT INVESTOR AND/OR CONSTRUCTION AND/OR PERMANENT LENDER

Attachment D – Construction Draw Schedule

				Closing			
				September-17	October-17	November-17	December-17
COSTS			Total	Equity Closing 0% 0.3693%	Month 1 3.37% 3.0000%	Month 2 7% 4.0000%	Month 3 12% 5.0000%
1	Construction		$ 19,227,564	$ 71,000	$ 576,827	$ 769,103	$ 961,378
1a	Retainage				$ (57,683)	$ (76,910)	$ (96,138)
1b	Release Retainage						
2	Architectural Fee - Design		$ 666,142	$ 666,142	$ -	$ -	$ -
3	Architectural Fee - Supervision		$ 222,047	$ -	$ 18,504	$ 18,504	$ 18,504
4	Legal		$ 80,000	$ 80,000	$ -	$ -	$ -
5	Civil Engineering		$ 230,000	$ 230,000	$ -	$ -	$ -
6	Survey		$ 29,000	$ 29,000	$ -	$ -	$ -
7	Soils and Structural Report		$ 40,000	$ 40,000	$ -	$ -	$ -
8	Environmentals Phase I and II		$ 48,333	$ 48,333	$ -	$ -	$ -
9	Property Appraisal		$ -	$ -	$		
10	Market Study		$ 14,500	$ 14,500	$ -	$ -	$ -
11	Zoning Fees		$ -	$ -	$ -	$ -	$ -
12	PCNA		$ -	$ -			
13	Cost Certification		$ 15,000		$ -	$ -	$ -
14	Archaeological review		$ -	$ -	$ -	$ -	$ -
15	LEED and HERs		$ 33,833	$ 33,833	$ -	$ -	$ -
16	Local Approvals/Tap in fees		$ 183,667	$ 183,667	$ -	$ -	$ -
17	Energy Benchmarking fee		$ -	$ -	$ -	$ -	$ -
18	Multifamily Housing Application Fee		$ 3,000	$ 3,000			
19	Passive House consulting		$ -	$ -	$ -	$ -	$ -
20	PHFA fees		$ 18,000	$ 17,000			
21	Tax Credit Reservation and Allocation Fees		$ 54,714		$ -	$ -	
22	Furnishings (Common Area)		$ 30,000	$ -	$ -	$ -	$ -
23	Rent-up Expenses		$ 10,000				
24	PHFA Construction Monitoring		$ 6,000	$ 6,000			
25	Real Estate Taxes During Construction		$ 30,689	$ 30,689			
26	Builder's Risk Insurance During Construction (quote at app)		$ 58,000	$ 58,000	$ -	$ -	$ -
27	Title Insurance		$ 100,000	$ 100,000	$ -	$ -	$ -
28	Recording		$ 20,000	$ 20,000			
29	Constrution Loan Legal		$ 100,000	$ 100,000			
30	Acquisition of land and building		$ 10	$ 10			
31	Acquisition Legal Fees		$ 20,000	$ 20,000			
32	Closing Costs		$ 27,373	$ 27,373			
33	Construction Loan interest during construction		$ 27,017		$ -	$ -	$ -
34	construction loan interest after construction		$ 74,467				
35	Construction loan origination		$ 24,864	$ 24,864			
36	Perm Loan origination and fees		$ 166,508	$ 166,508			
37	Relocation		$ 150,000	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00
38	Cost of Issuance		$ 166,104	$ 166,104			
39	Replacement Costs	$ -	$ 21,876,831	$ 2,148,522	$ 550,148	$ 723,196	$ 896,244
40	Other: DCF		$ -	$ -			
41	Operating Reserve		$ 154,758				
42	Transformation Reserve		$ -				
43	HUD Required Escrow		$ -				
44	Organizational Expense		$ 5,000	$ 5,000			
45	Insurance (first year escrow)		$ 40,890				
46	Real Estate Taxes (first year escrow)		$ 37,845				
47	Supportive Services Escrow		$ 435,000				
48	Internal Rent Reserve		$ -				
49	Developer's Fee		$ 2,675,000	$ 750,000			$ -
50	Bridge Loan Interest During Construction		$ -				
51	Bridge Loan Interest After Construction		$ -				
52	Brige Loan Origination Fee		$ -	$ -	$ -	$ -	$ -
53	Bridge Loan Legal		$ -	$ -			
54	Bridge Loan Due Diligence and Monitoring		$ -	$ -	$ -	$ -	$ -
55	Investor Due Diligence		$ -	$ -			
56	Other: 10% test opinion		$ -	$ -			
57	Tax Credit Compliance Monitoring Fee		$ 69,600				
58	Other: ESCO loan payoff		$ -	$ -			
59	Other: Energy Benchmark fee		$ 1,500	$ 1,500			
60	TOTAL		$ 25,296,425	$ 2,905,022	$ 550,148	$ 723,196	$ 896,244
			$ -				
SOURCES							
				20.00%			
1	Equity		$ 9,115,594	$ 1,823,119			
				$ 1,823,119			
2	HACP Investment Tax Exempt		$ 9,000,000	$ 1,081,904	$ 550,148	$ 723,196	$ 896,244
3	HACP Loan		$ 4,713,082				
4	Other source		$ -		$ -	$ -	$ -
5	Working Capital Reserve		$ -				
6	Deferred fee		$ -				
7	Perm Loan		$ 2,467,749				
8	TOTAL		$ 25,296,425	$ 2,905,022	$ 650,148	$ 723,196	$ 896,244
	Difference- Sources and uses			$ -	$ -	$ -	$ -
	Loan Draw			$ -	$ -	$ -	$ -
	Loan Repayment			$ -	$ -	$ -	$ -
	Loan Outstanding	$ 3,551,859		$ -	$ -	$ -	$ -
	Loan Interest A	5.09%					
	Loan Interest B	5.09%		$ -	$ -	$ -	$ -

CONSTRUCTION PERIOD								Completion
								2015
January-18	February-18	March-18	April-18	May-18	June-18	July-18	August-18	September-18
Month 4 19% 7.0000%	Month 5 27% 8.0000%	Month 6 37% 9.1634%	Month 7 52% 15.0000%	Month 8 63% 11.0000%	Month 9 73% 10.0000%	Month 10 83% 10.0000%	Month 11 92% 9.0022%	Month 12 100.00000% 8.4651%
$ 1,345,929	$ 1,538,205	$ 1,761,899	$ 2,884,135	$ 2,115,032	$ 1,922,756	$ 1,922,756	$ 1,730,904	$ 1,627,640.19
$ (134,593)	$ (153,821)	$ (176,190)	$ (288,413)	$ (211,503)	$ (192,276)	$ (192,276)	$ (173,090)	$ (162,764)
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 18,504	$ 18,504	$ 18,504	$ 18,504	$ 18,504	$ 18,504	$ 18,504	$ 18,504	$ 18,504
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -							
$ -	$ -	$ -	$ -	$ -		$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -		$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
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$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
								$ 1,000
$ -	$ -	$ -	$ -	$ -	$ -		$ 30,000	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ 575	$ 8,049	$ 14,950
$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	$ 12,500.00	
$ 1,242,340	$ 1,415,389	$ 1,616,713	$ 2,626,725	$ 1,934,533	$ 1,761,485	$ 1,762,060	$ 1,626,867	$ 1,499,330
$ -	$ -		$ -	$ -	$ -		$ -	$ 800,000
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 1,242,340	$ 1,415,389	$ 1,616,713	$ 2,626,725	$ 1,934,533	$ 1,761,485	$ 1,762,060	$ 1,626,867	$ 2,299,330
								55.00%
								$ 5,013,576
								$ 5,013,576
$ 1,242,340	$ 1,415,389	$ 3,090,779						$ -
		$ (1,474,066)	$ 2,626,725	$ 1,934,533	$ 1,625,891	$ -		
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 1,242,340	$ 1,415,389	$ 1,616,713	$ 2,626,725	$ 1,934,533	$ 1,625,891	$ -	$ -	$ 5,013,576
$ -	$ -	$ -	$ -	$ -	$ (135,594)	$ (1,762,060)	$ (1,626,867)	$ 2,714,246
$ -	$ -	$ -	$ -	$ -	$ 135,594	$ 1,762,060	$ 1,626,867	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,714,246
$ -	$ -	$ -	$ -	$ -	$ 135,594	$ 1,897,654	$ 3,524,520	$ 810,274
$ -	$ -	$ -	$ -	$ -	$ -	$ 575	$ 8,049	$ 14,950

Release Retainage					Stabilization	8609	
October-18	November-18	December-18	January-19	February-19	March-19	December-20	
Month 13 100%	Month 14 100%	Month 15 100%	Month 16 100%	Month 17 100.000%	Month 18 100.000002%		TOTAL 100.0000%
$ -							$ 19,227,564
$ -	$ -	$ -	$ -	$ -	$ -		$ (1,915,656)
$ 1,915,656							$ 1,915,656
$ -	$ -	$ -	$ -	$ -	$ -		$ 666,142
							$ 222,047
$ -							$ 80,000
$ -	$ -	$ -	$ -	$ -	$ -		$ 230,000
$ -	$ -	$ -	$ -	$ -	$ -		$ 29,000
	$ -	$ -	$ -	$ -	$ -		$ 40,000
	$ -	$ -	$ -	$ -	$ -		$ 48,333
							$ -
			$ -	$ -			$ 14,500
$ -	$ -	$ -	$ -	$ -	$ -		$ -
							$ -
$ -	$ -	$ -	$ 15,000	$ -	$ -		$ 15,000
$ -	$ -	$ -	$ -	$ -	$ -		$ -
$ -	$ -	$ -	$ -	$ -	$ -		$ 33,833
$ -	$ -	$ -	$ -	$ -	$ -		$ 183,667
$ -	$ -	$ -	$ -	$ -	$ -		$ -
					$ -		$ 3,000
	$ -	$ -	$ -	$ -	$ -		$ -
							$ 18,000
					$ 54,714		$ 54,714
$ -	$ -	$ -	$ -	$ -	$ -		$ 30,000
$ 3,333	$ 3,333	$ 3,333					$ 10,000
							$ 6,000
							$ 30,689
$ -	$ -	$ -	$ -	$ -	$ -		$ 58,000
$ -	$ -	$ -	$ -	$ -	$ -		$ 100,000
							$ 20,000
							$ 100,000
							$ 10
							$ 20,000
							$ 27,373
$ 3,437							$ 27,017
	$ 14,722	$ 14,799	$ 14,875	$ 15,002	$ 15,066	$ -	$ 74,467
							$ 24,864
							$ 166,508
							$ 150,000
							$ 166,104
$ 1,922,427	$ 18,055	$ 18,132	$ 29,875	$ 15,002	$ 69,780	$ -	$ 21,876,823
							$ -
$ 154,758							$ 154,758
$ -							$ -
$ -							$ -
							$ 5,000
$ 40,890							$ 40,890
$ 37,845							$ 37,845
$ 435,000							$ 435,000
	$ -						$ -
					$ 1,075,000	$50,000	$ 2,675,000
							$ -
							$ -
	$ -	$ -					$ -
							$ -
$ -	$ -	$ -					$ -
							$ -
							$ -
$ 69,600							$ 69,600
							$ -
							$ 1,600
$ 2,660,520	$ 18,055	$ 18,132	$ 29,875	$ 15,002	$ 1,144,780	$ 50,000	$ 25,296,416
					24.50%	0.50%	100.00%
					$ 2,233,320	$ 45,578	$ 9,115,594
					$ 2,233,320	$ 45,578	$ 9,115,594
$ -	$ -	$ -	$ -				$ 9,000,000
	$ -				$ -		$ 4,713,082
		$ -					$ -
					$ -		$ -
						$ -	$ -
					$ 2,467,749		$ 2,467,749
$ -	$ -	$ -	$ -	$ -	$ 4,701,069	$ 45,578	$ 25,296,425
$ (2,660,520)	$ (18,055)	$ (18,132)	$ (29,875)	$ (15,002)	$ 3,556,289	$ (4,422)	
$ 2,660,520	$ 18,055	$ 18,132	$ 29,875	$ 15,002	$ -	$ 4,422	
$ -	$ -	$ -	$ -	$ -	$ 3,551,859	$ -	
$ 3,470,794	$ 3,488,849	$ 3,506,981	$ 3,536,856	$ 3,551,859	$ -		
$ 3,437	$ 14,722	$ 14,799	$ 14,875	$ 15,002	$ 15,066		