

# Quote Request

## Manchester New Acquisition Appraisals

**Quotes due May 6, 2019 @ 10:00 AM**

**Fax to Brandon Havranek at (412) 456-5007 or email to  
Brandon.Havranek@HACP.org**

### Scope of Work

The selected firm will be responsible for the Professional Appraisal Services for twenty-six (26) scattered site properties located in the Manchester neighborhood of the City of Pittsburgh's 21st Ward.

The scope of services is specifically described below:

The selected firm will be responsible for completing a site inspection and providing Allies & Ross Management and Development Corporation ("ARMDC") with a Standard Residential Appraisal Report which conforms to the requirements set forth by the Pennsylvania Housing Finance Agency ("PHFA") in the instructions to Tab 7 of the Application (see **Attachment A**). The intended use of the appraisal is to provide an opinion of value and value any potential capital improvements to the properties listed in **Attachment B**, as the developer plans to redevelop the scattered sites into affordable rental housing units. Further information regarding the details and specifics of the planned improvements will be provided to the offeror upon selection.

The requested appraisal would address the development scenarios:

Non-restricted fee simple market value appraisal constituting a fair market value (FMV) appraisal for the as-built property and a valuation of the property based off of future planned improvements.

- Qualified appraisers must be licensed in the State of Pennsylvania and have experience with appraisals of residential, non-residential, and commercial/industrial real estate properties.
- The appraiser will be required to provide professional services in performing a complete independent appraisal and preparing appraisal reports, in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and other required standards in accordance with the aforementioned instructions from PHFA for the properties listed on **Attachment B**.
- The appraisal report must be acceptable to United States Department of Housing and Urban Development ("HUD"). The appraisal may be used for FHA-insured financing, so the offeror should indicate its experience with appraisals for Multifamily Accelerated Processing ("MAP") lenders.

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- The appraiser should demonstrate their capacity to complete the appraisal services and provide reports to ARMDC within 5 weeks upon the execution of a professional services contract and the issuance of a written Notice to Proceed.

Please contact Brandon Havranek at 412.456.5000 Ext. 8546 or [Brandon.Havranek@HACP.org](mailto:Brandon.Havranek@HACP.org) with any questions about the above scope.

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## **ATTACHMENT A**

## **Tab 7 Appraisals**

For all situations listed below, an “As-is” appraisal is required. Please refer to the “As-Is” Appraisal Requirements for appraisal methodology.

- An “As-Is” Appraisal will be required on all properties in which there is any identity of interest between the seller and purchaser of the property(s) to be included in the development.
- An “As-Is” Appraisal will be required in instances where the transfer of title (third party or related entity) occurs within a one-year period prior to closing. The recognized value of land will be the lower of the purchase price or the as-is appraised value. Under no circumstances will the Agency recognize more than the as-is appraised value.
- An “As-Is” Appraisal will be required if the proposed development is to be located on a subdivided parcel from a larger piece of property. A value for each subdivided parcel of the whole property must be provided.
- An “As-Is” Appraisal will be required for all proposals in which the Applicant is requesting Acquisition Tax Credits. The appraisal must assign a separate value for both the building and the land.
- An “As-Is” Appraisal will be required for all proposals requesting points for land and/or building donation for Commitment of Funds in the Ability to Proceed section of the Selection Criteria.

For all proposals not addressed above, an “As-Is” Appraisal may be required if the acquisition costs included in the total development cost do not appear to be reasonable.

In situations where the acquisition price exceeds the appraised value, the percentage of acquisition costs attributed to land on the development budget should be the same percentage noted in the appraisal.

If there is a long-term lease in which an up-front lease value is assigned and included in the total development cost, the value must be supported by an independent appraisal by a qualified appraiser. The property rights to be appraised are the market value of the leasehold estate.

Appraisals should be dated within 12 months of date of Application.

**“AS-IS” APPRAISAL REQUIREMENTS - NEW CONSTRUCTION**

IN MAKING THE APPRAISAL, PLEASE EMPLOY THE FOLLOWING METHODOLOGY:

1. The appraisal should include a personal inspection of the site, a review of current market data in the area, a consideration of income and expense and other data normally considered by a real estate appraiser.
2. For the subject property, provide an “As-Is” market value and establish the highest and best use.

Market Value should be defined as:

“The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.”<sup>1</sup>

3. If applicable, estimate the contribution to value of all necessary off-site improvements (e.g., water, sewer, etc.) to the “As-Is” market value. The estimated dollar contribution for the off-site improvements should be based on the value they add to the site after their installation and not on cost.
4. Provide an estimate of land value incorporating data compiled in Numbers 1 and 2. Do not consider the unique aspects of PHFA financing or the Low Income Housing Tax Credits in the estimate of value.
5. Attach photos of each comparable and the subject property, as well as a map identifying the comparables.
6. The appraisal report must be prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) subject to approval by PHFA.
7. An estimate of real estate taxes based on the full assessment after the project is completed should be provided. The estimate should include any applicable tax abatement program which will be utilized.

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<sup>1</sup> Appraisal Institute, The Dictionary of Real Estate Appraisal.

**“AS-IS” APPRAISAL REQUIREMENTS - REHABILITATION**

IN MAKING THE APPRAISAL, PLEASE EMPLOY THE FOLLOWING METHODOLOGY:

1. The appraisal should include a personal inspection of the land and building, a review of a current market data in the area, a consideration of income and expense and other data normally considered by a real estate appraiser.
2. For the subject property, provide an “As-Is” market value and establish the highest and best use. The appraisal must assign a separate value for both the building and land.

Market Value should be defined as:

“The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.”<sup>1</sup>

3. If applicable, estimate the contribution to value of all necessary off-site improvements (e.g., water, sewer, etc.) to the “As-Is” market value. The estimated dollar contribution for the off-site improvements should be based on the value they add to the site after their installation and not on cost.
4. Provide an estimate of land value incorporating data compiled in Numbers 1, 2 and 3. Do not consider the unique aspects of PHFA financing or the Tax Credits in the estimate of value.
5. Provide a total “As-Is” property value incorporating data compiled in Numbers 1, 2, 3 and 4. Do not consider the unique aspects of PHFA financing or the Low Income Housing Tax Credits in the estimate of value.
6. Attach photos of each comparable and the subject property, as well as a map identifying the comparables.
7. The appraisal report must be a complete self-contained report and be prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) subject to approval by PHFA.
8. An estimate of real estate taxes based on the full assessment after the project is completed should be provided. The estimate should include any applicable tax abatement program that will be utilized.

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<sup>1</sup> Appraisal Institute, The Dictionary of Real Estate Appraisal.

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## Manchester New Acquisition Appraisals

### ATTACHMENT B

Address	Block & Lot	Owner
1501 Allegheny Ave	22-L-199	City
1503 Allegheny Ave	22-L-198	City
1513 Allegheny Ave	22-L-193	City
1012 Liverpool Street	22-L-202	City
1206 W North Avenue	22-R-267	City
1815 Fulton Street	22-F-156	URA
1817 Fulton Street	22-F-155	City
1001 N Franklin Street	22-L-187	URA
1607 Sedgwick Street	22-L-92	URA
1609 Sedgwick Street	22-L-91-A	URA
1611 Sedgwick Street	22-L-91	URA
1613 Sedgwick Street	22-L-90	URA
1208 N Franklin Street	22-L-96	URA
N/A (N Franklin Street)	22-L-98	City
1103 Liverpool Street	22-L-299	URA
1105 Liverpool Street	22-L-298	MCC
1305 Columbus Avenue	22-F-284	City
1307 Columbus Avenue	22-F-283	City
1301 Columbus Avenue	22-F-285	MCC
1304 Lake Street	22-K-37	URA
1306 Lake Street	22-F-283-A	URA
1214 N Franklin Street	22-L-101	City
1218 N Franklin Street	22-L-103	City
1321 N Franklin Street	22-K-333	City
1421 Juniata Street	22-K-134	URA
1020 Liverpool Street	22-L-207	City

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## Manchester New Acquisition Appraisals

Quotes due 5/6/2019 @ 10:00 a.m.

Total Cost: \$ \_\_\_\_\_

Total Cost: \$ \_\_\_\_\_  
(in words)

**Contract award will be based on lowest responsive and responsible bid  
amount**

(Please print clearly)

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_  
(of company)

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_  
(of person signing)

Phone Number: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_