



Procurement Department  
112 Boulevard of the Allies,  
Pittsburgh, PA 15219  
[www.hacp.org](http://www.hacp.org)

August 26, 2024

**MEMORANDUM FOR:** All potential respondents

**FROM:** Brandon Havranek, Associate Director of Procurement

**SUBJECT:** Request for Proposals (RFP) – Round 9; Project-Based Voucher and Gap Financing Program

The Housing Authority of the City of Pittsburgh (HACP) is pleased to announce the availability of funding for the Project-Based Voucher (PBV) and Gap Financing program (PBV/Gap Financing program). The PBV/Gap Financing program provides rental operating subsidy and last resort gap financing loans for the successful development of quality and affordable rental housing units throughout the City of Pittsburgh.

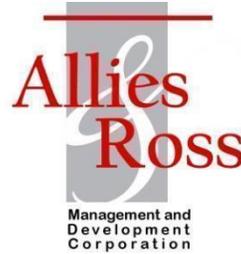
HACP will **accept physical proposals dropped off in person only from 8:00 a.m. until the closing time of 9:00 a.m. on Thursday, September 26, 2024**, in the One Stop Shop of 412 Boulevard of the Allies Pittsburgh, PA 15219. Proposals may be mailed via USPS at which time they will be Time and Date Stamped at 412 Boulevard of the Allies, 6th Floor Procurement Department, Pittsburgh, PA 15219. HACP will **accept online submissions** for this RFP. For respondents wishing to submit online, please go to the following web address to upload documents:

<https://www.dropbox.com/request/9KCBYxuOx49n7etkW9xB>

**All proposals must be received no later than 9:00 a.m. on Thursday, September 26, 2024, regardless of the selected delivery mechanism.**

The PBV/Gap Financing program RFP, detailed submission instructions and requirements, and underwriting guidelines are attached to this memorandum and are also posted on HACP's website at [www.hacp.org/doing-business/procurement-search/](http://www.hacp.org/doing-business/procurement-search/).

Attachment: Request for Proposals (RFP #600-22-24)



Procurement  
Department  
412 Boulevard of the  
Allies  
Pittsburgh, PA 15219

# PROJECT-BASED VOUCHER AND GAP FINANCING PROGRAM

## Request For Proposals – ROUND 9 #600-22-24

**Due: 9:00 a.m. on Thursday, September 26, 2024**

**To: Brandon Havranek, Associate Director of Procurement**

412 Boulevard of the Allies, Pittsburgh, PA 15219  
Website: [www.hacp.org/doing-business/procurement-search/](http://www.hacp.org/doing-business/procurement-search/)

## TABLE OF CONTENTS

I. Overview.....	3
II. Scope of Services.....	12
III. Program Requirements.....	13
IV. Proposal Submission Instructions & Requirements.....	14
V. Evaluation Criteria.....	19
VI. Procurement and Award Process.....	20

### **Attachments to this RFP**

Attachment A. PBV/Gap Financing Program & Underwriting Guidelines

Attachment B. Forms (The proposal checklist and all required forms are organized in an Excel Workbook as part of the RFP package.)

Attachment C. Allegheny Dwellings Choice Neighborhoods Planning Grant Boundary

## SECTION I OVERVIEW

### Program Introduction

The Housing Authority of the City of Pittsburgh (HACP), through this Request for Proposals (RFP), is soliciting qualified respondents (Respondents) to apply for funding through the Project-Based Voucher (PBV) and Gap Financing program (PBV/Gap Financing program). Eligible Respondents include private, for-profit developers and non-profit organizations. Respondent and Owner/Developer are used interchangeably in this RFP. Eligible uses of these funds are the development, rehabilitation and/or preservation of affordable, quality housing in the City of Pittsburgh.

HACP's PBV/Gap Financing program provides project-based operating subsidy and last resort development financing for Owners/Developers to develop, rehabilitate and/or preserve affordable rental units throughout the city. HACP founded the PBV/Gap Financing program to address specific housing needs. The first is the need to expand the *availability of housing* to low-income families in the city. The second is the need to provide these same families *access to quality housing*, which they can feel safe in and be proud of. In this Round of funding, the goal is to further the success of the program by continuing to address the existing housing needs in the City of Pittsburgh.

To support the successful completion of an affordable housing development proposal, HACP is offering funding through this opportunity:

- Section 8 Project-Based Housing Choice Vouchers (PBV); and/or
- Last resort gap financing in the form of soft and/or hard loans (Gap Financing).

**THIS RFP ONLY ACCEPTS PROPOSALS THAT ARE SEEKING PBV AND GAP FINANCING.** FOR MORE INFORMATION ON THE PBV-ONLY RFP, PLEASE CONTACT HACP'S HOUSING CHOICE VOUCHER (SECTION 8) DEPARTMENT AT [housingchoicevouchers@hacp.org](mailto:housingchoicevouchers@hacp.org).

Respondents must refer to, and read in entirety, this RFP, the PBV/Gap Financing Program & Underwriting Guidelines (**Attachment A**) for detailed program requirements, Forms (**Attachment B**), and Allegheny Dwellings Choice Neighborhoods Planning Grant Boundary (**Attachment C**), for all applicable submission requirements and instructions.

### Available Funds

The availability of funds under the PBV/Gap Financing program is dependent on the availability of HACP's Housing Choice Voucher funds and Moving to Work (MTW) funds. HACP retains the right to award all, part, or none of the assistance available through this RFP and increase or decrease the Gap Financing budget for this RFP. This

funding is bound by the approvals and requirements of HACP and the Department of Housing and Urban Development (HUD).

**Timeline for this RFP**

Following are the key dates and submission instructions associated with this RFP.

<p>Pre-Submission Conference will be held via Zoom:</p>	<p>9:00 a.m. on <b>Thursday, September 5, 2024</b>  Zoom Link:  <a href="https://hacp-org.zoom.us/j/88168982868?pwd=2CmkfWli9owqmOHWDVZAbebR18LOcQ.1">https://hacp-org.zoom.us/j/88168982868?pwd=2CmkfWli9owqmOHWDVZAbebR18LOcQ.1</a>  Dial-in number: +1-301-715-8592  Meeting ID: 881 6898 2868  Passcode: 728946</p>
<p>Questions regarding this RFP must be submitted by:</p>	<p>9:00 a.m. on <b>Thursday, September 12, 2024</b>  Email questions to: Brandon Havranek at <a href="mailto:Brandon.Havranek@hacp.org">Brandon.Havranek@hacp.org</a></p>
<p>Due Date for Submission of Proposals</p>	<p>9:00 a.m. on <b>Thursday, September 26, 2024</b></p>
<p>Submit Proposals to:</p>	<p>In person drop-off: <b>Only from 8:00 a.m. until the closing time of 9:00 a.m. on Thursday, September 26, 2024</b>, in the lobby of 412 Boulevard of the Allies, Pittsburgh, PA 15219.</p> <p>By mail: Proposals may be mailed via USPS at which time they will be Time and Date Stamped at 412 Boulevard of the Allies, 6th Floor, Pittsburgh, PA 15219.</p> <p>Online: For respondents wishing to submit online, please go to the following web address to upload documents:  <a href="https://www.dropbox.com/request/9KCBYxuOx49n7etkV9xB">https://www.dropbox.com/request/9KCBYxuOx49n7etkV9xB</a></p> <p><b>All proposals must be received no later than 9:00 a.m. on Thursday, September 26, 2024, regardless of the selected delivery mechanism.</b></p>

## **Critical Timeline Post-Award**

1. For non-Low-Income Housing Tax Credit (LIHTC) projects, due-diligence items\* are due 180 days from the date of the PBV/Gap Financing award letter.
2. For 9% LIHTC transactions, the Respondent must submit a 9% LIHTC full underwriting application to the Pennsylvania Housing Finance Agency (PHFA) by the 2025 application deadline to be determined by PHFA and provide evidence of the application within 7 days of the LIHTC application submission. The due-diligence items\* are due to HACP within 180 days following the notification of LIHTC award for the Respondent's proposed project in this RFP by PHFA. If the Respondent's application submission for 9% LIHTC for the project proposed in response to this RFP is unsuccessful, HACP's RFP commitment will be automatically terminated.
3. For 4% LIHTC transactions, the Respondent must submit a 4% volume-cap bond allocation/LIHTC full underwriting application to PHFA by the 2025 application deadline to be determined by PHFA and provide evidence of the application within 7 days of the LIHTC application submission. Following PHFA's notification of the 4% LIHTC award for the Respondent's project proposed in this RFP, the due-diligence items\* are due within 180 days following the LIHTC award. If the Respondent's application submission for 4% LIHTC for the proposed project of this RFP is unsuccessful, HACP's RFP commitment will be automatically terminated.

*\* The due-diligence items for this purpose are as follows:*

1. *Securing of all equity and grant funding awards and written commitment of all loans;*
2. *Draft of HUD Development Proposal package including the TDC workbook;*
3. *Draft of Exhibits B and C of the Agreement to Enter into a Housing Assistance Payments (AHAP) Contract.*

*Note: HACP can request more information and documentation, as needed, at its discretion.*

## **What is New in this RFP?**

Changes in this Round are intended to provide more clarity on the program. The following is a summary of significant changes.

**The following PBV Limits for Round 9 of the PBV/Gap Financing RFP have been established for all projects. Projects seeking and/or utilizing a 4% low-income housing tax credit (LIHTC) allocation shall not exceed twenty-five (25) PBV units. All other project types shall not exceed fifteen (15) PBV units.**

**Changes to Attachment A.** Following are some changes to the PBV/Gap Financing Program & Underwriting Guidelines

Section 2.11.4; Davis-Bacon Wage Requirements: All projects that apply for assistance under this PBV/Gap Financing RFP, regardless of how many PBV units will be operated in any project, are required to follow HUD-required wage determination wages covering the application of Davis-Bacon Wage Rates. Because these programs are resourced by federally-assisted funds (i.e., MTW funds), the Owner/Developer is required to adhere to all relevant standards. In order to ensure that the Owners/Developers are following the most current Davis-Bacon wage determinations, monitoring of the system will need to be implemented. Awardees must submit a request for Davis-Bacon wage determination to HACP's Development Manager at least a month before issuance of an invitation for bid (IFB) so that HACP/HUD's labor specialist can provide the general wage determination that will be included in the IFB. A general wage decision shall be "locked in" on the effective date of the agreement to enter into a housing assistance payments contract (AHAP) provided that construction starts within 90 days after such execution. If construction starts more than 90 days after the execution of the AHAP, the general wage decision must be updated unless an extension is obtained. Modifications to the general wage decision that are published/received prior to the lock-in dates shall be effective with respect to the project.

Section 2.11.10; HUD Architecture Design Review for Compliance with Design and Accessibility Requirements: All PBV/Gap Financing projects are required to submit the following architectural plans as part of the HUD Development Proposal package:

- Site Plan
- Building Plans
- Sections and Elevations
- Unit Plans

The design of the project, including the layout of units, will be reviewed by a HUD architect and must comply with accessibility requirements specified at 24 CFR 905.312 and 905.604(g) and any other requirements which apply to the specific project. For additional HUD design criteria and requirements, please see Exhibit A: HUD's Best Practices: Design of Mixed Finance Programs.

NOTE: HUD has the right to request where the plans should be sent and in what format (i.e., hard copy, electronic, etc.). All costs associated with the submission of architectural plans to HUD will be at the cost of the Developer and/or the Developer's Architect.

Section 3.0; PBV Program Overview and Requirements; HACP's PBV program is designed to conform to the Project-Based Voucher Program Final Rule published on October 13, 2005 at 24 CFR Part 983 as modified by the Housing and Economic Recovery Act of 2008 and Federal Register Notice 73 FR 71037, other applicable Notices from HUD, the implementing provisions of the Housing Opportunity Through Modernization Act of 2016 (HOTMA) (Federal Register Notices 82 FR 5458 and 82 FR

32461), and HACP's Housing Choice Voucher Program Administrative Plan, its MTW Agreement, as well as the RFP.

- **Projects seeking and/or utilizing a 4% low-income housing tax credit (LIHTC) allocation shall not exceed twenty-five (25) PBV units. All other project types shall not exceed fifteen (15) PBV units.**
- The owner entity and HACP will enter into the AHAP, which must be approved by HACP and fully executed by both parties prior to construction activities of the proposed project.
- Upon satisfactory completion of construction in accordance with the AHAP, HACP will enter into a PBV HAP contract with the property owner for designated PBV rental units for an initial term of twenty years, with the possibility of a contract extension if offered by HACP.

Section 3.3; Excepted Units: Per HUD regulation 24 CFR 983.54, the number of PBV-assisted units in a project cannot exceed the greater of 25 units or 25 percent (25%) of the total number of dwelling units in the project.

The currently available exceptions to this cap are:

- Units exclusively serving elderly families (head, co-head, spouse or sole member(s) is 62 years of age or older).
- Units made available specifically to households eligible for supportive services such as families with a household member with a disability, as well as other populations. This exception is designed for housing with linked supportive services for various special needs populations that have a preference for families requiring the available services. See HUD regulations at 24 CFR 983.56 as amended by notices implementing HOTMA, as referenced above.
- Projects in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey five-year estimates, are subject to an alternate cap, which is the greater of 25 units or 40 percent (40%) of the total number of dwelling units in the project.

Respondents considering "Excepted Units" MUST:

- Specifically identify the exception requested, and provide evidence of eligibility for the exception;
- For Excepted Units for supportive services, specifically identify the service to be provided, the entity providing the service, and provide a detailed description of the service including a description demonstrating service availability to all resident households and any preferences proposed for households requiring those services.
- The Excepted Units Plan will be reviewed and approved by HACP as part of the project's underwriting process.

NOTE: Regardless of the conditions referenced above, no project shall exceed the PBV limits established in Section 3.0 of these guidelines.

Section 4.2; Eligible Activities: HACP's Gap Financing loan can be used for typical development project costs except for the following **ineligible uses**:

- Operating reserves
- Developer fee or deferred developer fee
- Construction of commercial or retail space
- ARMDC Loan Closing Fees (as outlined in Section 4.14 Loan Closing Fees)
- Borrower and/or Closing Fees for other project lenders

NOTE: ARMDC does not provide a predevelopment fund or predevelopment loan under the Gap Financing program.

Section 4.6; Debt Service Coverage Ratio: If the Debt Service Coverage Ratio (DSCR) exceeds 1.30 on average for the first 15 years in the operating pro forma calculation, the Owner/Developer should either:

1. Increase the amount of the senior hard loan to increase fixed repayment to lower the DSCR to 1.30 level, or
2. Convert a portion or all of HACP's Gap Financing loan to a hard debt that generates fixed repayment to lower the DSCR to 1.30, or
3. Increase cash flow distribution substantially to HACP/ARMDC Gap Financing loan repayment if the loan is structured as a cash flow loan.

Note: ARMDC can consider a higher DSCR limit up to 1.45 if the ARMDC Gap Financing loan is structured for a 30-year or shorter amortization period subject to HUD's approval. Based on a standard pro forma assumption (i.e., rents increase by 2 percent (2%) per year and expenses increase by 3 percent (3%) per year), a higher DSCR can be allowed to maintain DSCR at or above 1.00 during the first 15 years.

Section 4.13; Loan Disbursement: The disbursement of development funding sources must be clearly presented in a monthly draw schedule for the construction period and approved by ARMDC prior to financial closing. ARMDC disbursements shall now exceed the following amounts based on the following project milestones:

- At Closing: Up to 25% of ARMDC's loan amount may be disbursed for reimbursement of professional fees and costs.
- Construction Period: At least two (2) additional disbursements during the construction period. No disbursement shall exceed 35% of ARMDC's loan amount.
- Construction Completion: ARMDC will retain ten percent (10%) of its Gap Financing loan, which will be released upon construction completion.

ARMDC's Gap Financing loan proceeds will be disbursed only after the following conditions are met for each payment period:

- ARMDC’s construction inspector’s sign off on each payment application;
- Monthly MBE/WBE/Section 3 reports in ARMDC’s prescribed format;
- Each draw request must be fully documented with an invoice guide that clearly describes uses of individual funding sources and a copy of backup documents including receipts.

Section 5.1; HUD Proposal, HUD Evidentiary and Closing Documents: All gap financing projects must be presented to and approved by HUD’s panel and various HUD offices in addition to HACP/ARMDC. HUD’s Development Proposal templates are used for HUD’s panel review. (Exhibit C: Mixed-Finance Development Proposal and TDC Workbook).

Upon submission of the Development Proposal, HACP has to submit for HUD’s review certain evidentiary documents including, but not limited to the following documents:

- Use Agreement
- ALTA survey,
- Title policy pro forma
- Title Commitment (and copies of all exception documents, if applicable)
- Recording order
- HACP Legal Counsel’s opinion letter

It typically takes a minimum of 45 days for HUD’s review/comments on the development proposal. It takes a minimum of 45 days for HUD’s Evidentiary documents review and final gap financing program approval. However, HUD’s **architectural design** review can start as soon as possible before submitting the development proposal if HUD permits, as the HUD architectural review can significantly alter a unit plan and site plan to comply with HUD’s accessibility and livability standards and recommendations. NOTE: HUD’s review of the development proposal and/or evidentiary documents may take additional time depending on the complexity of the project, significant issues, and/or insufficient information provided. Additionally, HUD reserves the right to request any additional evidentiary documents.

<b><u>HACP/ARMDC Financial Closing Documents</u></b>		
<b>PBV</b>		
<input type="checkbox"/>	PBV Agreement to Enter Into Housing Assistance Payment Contract (AHAP)	
<input type="checkbox"/>	Rent Reasonableness approval,	<i>Prior to the execution of an AHAP, the Owner/Developer must ensure compliance with all HACP and HUD required compliance, such as the completion of the following:</i>
<input type="checkbox"/>	Subsidy Layering Review,	
<input type="checkbox"/>	Environmental Assessments,	
<input type="checkbox"/>	Accessibility Design approval, and	
<input type="checkbox"/>	Excepted Unit Plan (if applicable).	
<b>A/E and Construction</b>		
<input type="checkbox"/>	Architectural Contract	

<input type="checkbox"/>	Construction Contract
<input type="checkbox"/>	100% Architectural Construction Documents and Specifications
<input type="checkbox"/>	Building Permits
<input type="checkbox"/>	Construction Drawings and Manual approved and sealed
<input type="checkbox"/>	Evidence of Contractor's Insurance
<input type="checkbox"/>	Planning/Zoning Approvals
<b>Financing</b>	
<input type="checkbox"/>	Commitment Letters for All Other Financing (Initial and Final)
<input type="checkbox"/>	Final/Updated HUD Development Proposal/TDC Calculation Packet
<input type="checkbox"/>	ARMDC Loan Agreement, Mortgage, Promissory Note
<input type="checkbox"/>	ARMDC Completion Guaranty
<input type="checkbox"/>	Loan Documents from All Other Funding Sources
<input type="checkbox"/>	Overall Project Schedule
<input type="checkbox"/>	HUD Part 58 Approval (7015.16)
<input type="checkbox"/>	Subsidy Layering Review
<b>Other HUD Requirements</b>	
<input type="checkbox"/>	M/WBE Subcontractor Commitment
<input type="checkbox"/>	Section 3 Plan
<input type="checkbox"/>	Relocation Plan (if applicable)
<input type="checkbox"/>	Davis Bacon Wage Decision (latest update prior to execution of construction contract)
<b>Other</b>	
<input type="checkbox"/>	Good Standing Certifications & Incumbency Certificates
<input type="checkbox"/>	Management Plan and Management Agreement
<input type="checkbox"/>	Form of Resident Leases (including Tenancy Addendum Section 8 Project-Based Voucher Program)
<input type="checkbox"/>	Phase I – Environmental Site Assessment
<input type="checkbox"/>	Physical Needs Assessment (If Applicable)

Section 5.2; Major Milestones for Gap Financing Loan Approval: The following activities are major milestones in the development approval process that must be completed to receive PBVs and Gap Financing. NOTE: several of these activities are processed on parallel tracks.

ACTIVITY	DURATION
Due diligence items	<b><i>Owner/Developer must refer to the Critical Timeline Post-Award section as outlined in Section 5.3 below and Section I of the RFP</i></b>
Part 58 Approval Process <ul style="list-style-type: none"> <li>• <i>Step 1:</i> State Historic Preservation Office inquiry &amp; approval.</li> <li>• <i>Step 2:</i> City of Pittsburgh &amp; HUD Field Office Environmental Review.</li> </ul>	The entire process can take 5 – 6 months for a non-complicated project. It can take longer if archaeological investigations and detailed environmental analysis/remediation plans are required.

Submission of HUD Development Proposal Package	Upon completion of all funding awards (e.g., LIHTC, FHLB's AHP, etc.) and final commitments of equity and loans
HUD Panel Review	Within 30-45 days from the submission of a proposal package (If the proposal package has significant issues or insufficient information, HUD's review may take longer.)
Complete Draft of Agreement to Enter into PBV HAP Contract (AHAP)	Timeline of AHAP process is separate from the Gap Financing program
Initial Evidentiary Submission to HUD	After HUD's panel review and preliminary (verbal) approval from HUD's grant manager for the HUD development proposal package.
HUD approval for financial closing	Within 45 days from the initial evidentiary submission with no significant issues

*Exhibit A; HUD's Best Practices: Design of Mixed Finance Programs:* Addition of HUD's Best Practices for design of new construction and/or mixed-finance projects.

*Exhibit B; Tiered Voucher Payment Standards and Reasonable Accommodation Payment Standards:* Updated with 2024 payment standards.

*Exhibit E; PBV/Gap Financing Responsibility Matrix & Workflow Chart:* Addition of responsibility matrix and workflow chart of all PBV/Gap Financing activities, required by HACP, ARMDC, and HUD for closing.

**Changes to Attachment C.** Following are some changes to Attachment C:

- Bedford CNI Boundary and Larimer CNI Boundary Maps have been removed.
- Attachment renamed to *Allegheny Dwellings Choice Neighborhoods Planning Grant Boundary*

## **SECTION II SCOPE OF SERVICES**

The PBV/Gap Financing program represents one of the many funding sources targeted at the development of affordable housing units, either rehabilitated or newly constructed, within the City of Pittsburgh. Through this RFP, HACP provides an open, fair and inclusive platform for Owners/Developers to contribute to the growth of affordable mixed-income housing options.

Respondents are encouraged to propose an optimal number of units given their organizational capacity and project feasibility. Proposals including affordable units within larger unsubsidized developments are encouraged. Owners/Developers are also encouraged to be innovative in the leveraging of these resources and the structuring of financial deals to promote diverse and healthy communities.

Respondents who receive a PBV/Gap Financing award are subject to and must perform services in compliance with HACP's policies, procedures, and Board of Commissioners' approvals; and all rules, regulations and requirements of PBV set forth in 24 CFR 983 and Mixed-Finance Development set forth in 24 CFR Part 905, Subpart F and all other applicable Federal regulations. PBV/Gap Financing projects must also comply with HUD's MTW local non-traditional development program guidelines as described below.

HACP and its instrumentality, Allies & Ross Management and Development Corporation (ARMDC), will perform programmatic and underwriting analyses on all proposals received in response to this RFP.

### **SECTION III PROGRAM REQUIREMENTS**

The PBV/Gap Financing program requirements are provided in the PBV/Gap Financing Program & Underwriting Guidelines (**Attachment A**). Respondents must refer to, and read in entirety, the PBV/Gap Financing Program & Underwriting Guidelines before completing and submitting their PBV/Gap Financing proposals.

#### Special Note: Good Standing and No Debarments/Suspensions

Each Respondent must be in good standing with HACP, and any Federal, State or Municipality that has or has had a contracting relationship with the firm. If Respondent is not in good standing with HACP, and/or any Federal, State or Municipality this must be disclosed. If a Federal, State or Municipal entity has terminated any contract with a Respondent for deficiencies or defaults, that Respondent must disclose this information to HACP. HACP will consider such facts and circumstances during its evaluation of the Respondent's proposal. If the selected Respondent fails to disclose such information and HACP discovers it thereafter, then HACP could terminate the contract.

A Respondent may be an individual or a business corporation, partnership, firm, joint venture or other legal entity duly organized and authorized to do business in the City of Pittsburgh, financially sound and able to provide the services being procured by HACP. If a Respondent has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity, such firm shall disclose that information in its offer, which may be sufficient ground for disqualification. If the Respondent fails to disclose such information and HACP discovers it thereafter, then HACP could terminate the contract.

Respondents must have and maintain all necessary insurance to cover malpractice liability and workers' compensation at all times, at least from the award date of this RFP.

## SECTION IV PROPOSAL SUBMISSION INSTRUCTIONS & REQUIREMENTS

A hardcopy submission must be submitted in a three-ring binder and tabbed numerically according to the Underwriting Proposal Checklist (Tab 00).

An online submission must be organized numerically according to the Underwriting Proposal Checklist, and bookmarked using the **Bookmark** function of PDF reader/viewer programs such as Adobe Acrobat Reader. Please include your name and email address when prompted before submitting, and upload all relevant attachments as one document. Formatting for online submission should be organized in the same manner as if submitting the information via CD or flash drive. The title of the uploaded proposal shall be as follows: **[Full Company Name]\_RFP #600-22-24\_Proposal**. In the unlikely event your proposal is too large to be uploaded as a single file, add: **\_Part-1, \_Part-2...** etc. to the end of the file name.

**Proposals without all of the required information may be deemed non-responsive and failure to follow the instructions may result in the deduction of points as well as lower points in the corresponding scoring criteria.**

The proposal submission instructions below follow the order of the Underwriting Proposal Checklist (Tab 00) and explain each of the submission requirements. Items highlighted in gray are fillable forms and can be found in **Attachment B**, Forms, in Microsoft Excel format. Respondents must refer to all submission instructions and requirements below.

- Tab 00: Underwriting Proposal Checklist – The **Proposal Checklist** must be completed and submitted as the table of contents for the proposal package.
- Tab 01: Letter of Interest – Provide a letter of interest clearly stating (i) the name of the proposed development; (ii) the number of PBV units requested; (iii) the amount of Gap Financing requested; and (iv) a contact name, email, business address, and telephone number. Maximum length: 1 page, Times New Roman, font size 12, single spaced.
- Tab 02: Organizational Documents
  - 02.01: Type of Organization – Corporation, Limited Liability Company, Partnership, Joint Venture or Sole Proprietorship. Names of shareholders, members, partners, principals and any other persons exercising control over the entity(ies).
  - 02.02: Copy of Certificate of Incorporation, Certificate of Organization, Partnership Agreement, Joint Venture Agreement or other organizational documents.
  - 02.03: All applicable Licenses/Certifications.
  - 02.04: A corporate or partnership resolution signed by the Secretary of the Corporation or Partnership and notarized, certifying the name of the individual(s) authorized to sign the offer, the contract and any amendments thereto.

*Tab 03 through Tab 05 are program threshold requirements. To be eligible for evaluation and thereby be eligible to receive funding, projects must meet these requirements. Failure to provide adequate information for these threshold requirements may result in the proposal being deemed ineligible for further evaluation and scoring.*

- Tab 03: Evidence of Site Control – Provide a copy of applicable documents including a sales agreement, option agreement, deed, letter of intent by Respondent or committed Respondent partner(s). Where the site is controlled by a public entity such as the Urban Redevelopment Authority, documentation of the availability of the site, the intent of the controlling entity, and the status of negotiations with the controlling entity and of the disposition process must be included. Please provide fully executed documents and where not possible, provide drafts of documents. If providing more than one document, please have clearly marked dividers between documents.
- Tab 04: Proposed Gross Rents – Complete the proposed initial gross rents chart. Proposed initial gross rents must not exceed the Tiered Voucher Payment Standard as provided in Exhibit C. For mobility impaired accessible units, contract rents must not exceed the Reasonable Accommodations Voucher Payment Standard.
- Tab 05: PBV Verification – Complete the PBV verification form.
- Tab 06: PBV Application Form and Supporting Documents – Complete the PBV application form. If applicable, provide supporting documents as requested in the form, i.e. the Tenant Selection Criteria, Management Plan, Maintenance Plan, and the letter of intent to extend the PBV contract term. Use clearly marked dividers between each document.
- Tab 07: References for the Owner/Developer Entity – Provide at least 3 references for projects in which the Owner/Developer Entity has performed services similar to those described in this RFP. Provide all information as requested for each reference in the references table.
- Tab 08: Instructions to Offerors (HUD Form 5369B) and Certifications and Representations of Offerors Form (HUD Form 5369C) – Read the Instructions to Offerors and complete the Certifications and Representations of Offerors form.

*Information from Tab 09 to Tab 15 will be used for the evaluation and scoring of each proposal for this RFP. Please provide all required documentation according to the instructions. Details on the evaluation criteria can be found in Section V of this RFP.*

- Tab 09: Site and Neighborhood Standards
  - 09.01: Complete the Site and Neighborhood Standards form. Reference to Choice Neighborhoods Targeted Boundary Maps can be found in Attachment C of this RFP.
  - 09.02: Provide a print out of the Transit Score and the Walk Score for the proposed project. Visit <https://www.walkscore.com/>, enter the project's address and print out the results page that shows the Transit Score and Walk Score. This print-out should be 1 page only.
- Tab 10: Capacity & Experience of Development Team

- 10.01: Owner/Developer Entity’s Capacity and Experience – Describe the Owner/Developer Entity’s organizational capacity. Include the names of the key staff members that will be assigned to this project if the Respondent is successful and a brief description of their experience, including how many projects (similar to this RFP) each staff has successfully managed. Describe the Owner/Developer Entity’s experience in successfully working on projects with a similar scope of work as the one described in this RFP. Also state how many development projects the firm has completed in the past 5 years and provide the following table for each project:

Project Name and Location (Street Address and Parcel Block/Lot Number)	
Number of Units	
Number of Low Income Affordable Units (i.e., affordable for households with 80% area median income or lower)	
Financing Sources (i.e. 4% or 9% LIHTCs, Section 8, etc.)	
Current Stage of Development (either Pre-development, Construction, Lease-Up or Stabilized Occupancy)	

Maximum length: 10 pages, Times New Roman, font size 12, single spaced. Additional documentation, such as resumes, can be provided in Tab 15: Appendix.

- 10.02: Financial Capacity Review – Provide two years of most recent audited financial statements.
- 10.03: Property Management Agent’s Capacity and Experience – Describe the property management agent’s capacity. Specify the number of total housing units managed and the number of affordable housing units managed. Maximum length: 5 pages, Times New Roman, font size 12, single spaced. Additionally, complete the property management list. Include the properties that the management agent has managed in the past 10 years.
- Tab 11: Project Financing & Compliance with Funding Guidelines
  - 11.01: Development Cost – Complete the Total Development Cost table.
  - 11.02: Compliance with HUD Safe Harbor Standards – Complete the fee tables.
  - 11.03: Proformas – Complete the Proforma Income table, Proforma Assumptions table and the 15-year Proforma table including the 15-year cashflow projection.
  - 11.04: Financing Summary – Complete the Financing Summary chart.
  - 11.05: Evidence of Committed Sources of Funds – Financial commitments can take the form of a commitment letter and/or term sheet from financial

institutions or a Letter of Intent from other equity providers. **Provide only fully executed commitments** and arrange them according to their lending position. For e.g. equity, 1st mortgage, 2nd mortgage, etc. For proposals indicating a gap in financing due to pending funding applications or letters of intent rather than binding commitments, Respondents will have one-hundred-eighty (180) days from the date of award to produce evidence of all necessary financial commitments, prior to HACP entering into an agreement. If additional time is required, extensions can be requested. Proposals indicating a gap in financing without a letter of intent, pending application, or specifically identified and available potential funding source (such as an open, announced, or recurring solicitation or competition, including possible last resort gap financing offered by HACP) will not be considered.

- Tab 12: Project Design
  - 12.01: Unit Mix Chart – Complete the **Unit Mix chart**.
  - 12.02: Provide a statement by the Architect identifying the design narrative including, if applicable, the inclusion of the following characteristics in the proposed project’s design, and describe the process the Architect will put in place to ensure that HACP and its third-party certifier will be included in the design process. Each characteristic will be described under a separate sub-heading. Maximum length: 2 pages, Times New Roman, font size 12, single spaced. Characteristics include:
    - Accessibility – Conforming to accessibility requirements.
    - Visitability – Visitability is a design criterion that affords all persons basic access to residential buildings. Some design features include zero-step entrances, wider doors and doorways, grab bars, wider hallways, accessible exterior routes, etc. More information can be found in the latest version of PHFA Submission Guide for Architects which can be found in <https://www.phfa.org/mhp/technicalservices/>.
    - Universal design – Size and space designed for all users (with a wide range of abilities, disabilities, and other characteristics) via equitable, flexible, simple and intuitive use.
  - 12.03: Provide a statement by the Architect identifying the design narrative including, if applicable, the inclusion of the following characteristics in the proposed project’s design. Each characteristic will be described under a separate sub-heading. Maximum length: 2 pages, Times New Roman, font size 12, single spaced. Characteristics include:
    - Intent to pursue sustainable energy and energy efficiency certifications/standards – e.g. Enterprise Green Communities Initiative, the National Green Building Standards, LEED New Construction or equivalent, etc.
    - Energy efficiency strategies
    - Water efficiency strategies
- Tab 13: Project Readiness
  - 13.01: Drawings – Provide the site plan and schematic drawings for the proposed project. Maximum 10 pages.

- 13.02: Evidence of environmental site assessments – Provide the executive summary of the report completed for the proposed project.
- 13.03: Evidence of geotechnical assessments – Provide the executive summary of the report completed for the proposed project.
- 13.04: Evidence of zoning approval(s) – Provide zoning approval(s) for the proposed project.
- 13.05: Evidence of community involvement – Demonstrate extensive and sufficient amount of community involvement activities by providing
  - A narrative of the community engagement activities to date. Maximum length: 2 pages, Times New Roman, font size 12, single spaced.
  - Letters of support from community groups. (Note: Respondents should provide evidence of input from RCO, if the project’s neighborhood has an RCO.)
  - Evidence of public meetings (meeting agenda, presentation material, notes of meeting, etc.). Maximum: 10 pages of supporting documents.
- Tab 14: Minority and Women Business Enterprise (MBE/WBE) and Section 3 Plans
  - 14.01: MBE/WBE Special Participation Summary Form – Complete the **Special Participation Summary form** to demonstrate how the Respondent will utilize MBE/WBE businesses to meet ARMDC’s goal of 25% Minority-owned and 10% Women-owned business participation for construction and professional contracts. For every MBE/WBE business listed in the form, the Respondent must provide in Tab 14.02 a corresponding MBE/WBE Certification and a commitment letter from the Respondent to the MBE/WBE business that is signed by both parties.
  - 14.02: MBE/WBE Certifications and Commitment Letters – For every MBE/WBE business listed in Tab 14.01, the Respondent must provide under Tab 14.02 a corresponding MBE/WBE Certification and a commitment letter from the Respondent to the MBE/WBE business that is signed by both parties. If there is more than one business, use clearly marked dividers between each business.
  - 14.03: Section 3 Participation Plan – Complete the **Section 3 Participation Plan** to demonstrate how the Respondent will comply with HACP’s Section 3 Policy for hiring HACP residents and/or other local low-income individuals. The Section 3 plan includes various Tiers for selection (select as many as applicable) and depending on the Tiers selected the Respondent must provide the necessary attachments.
- Tab 15: Appendix – Use clearly marked dividers to separate documents in the Appendix.

## SECTION V EVALUATION CRITERIA

The Evaluation Committee will evaluate and will score each proposal that is submitted as a complete response in accordance with the scoring criteria that are summarized below. Responses may receive a maximum score of one hundred (100) points, subdivided as follows:

**Site and Neighborhood Standards:** **Maximum 20 points**

- Minority Concentration (max. 4 points)
- Poverty Concentration (max. 4 points)
- Unemployment Rate (max. 4 points)
- Access to Schools (max. 4 points)
- Access to Transportation (max. 2 points)
- Walkability (max. 2 points)

Note: Any proposal with a project site located entirely within the Allegheny Dwellings Choice Neighborhoods Planning Grant Boundary (Attachment C) will receive maximum points for this category.

**Capacity and Experience of Development Team:** **Maximum 25 Points**

- Owner/Developer Entity Capacity and Experience (max. 15 points)
- Property Management Agent Capacity and Experience (max. 10 points)

**Project Financing & Compliance with Funding Guidelines:** **Maximum 20 points**

- Gap Financing Request per PBV Unit (max. 5 points)
- Compliance with HUD Safe Harbor Standards (max. 5 points)
- Net Cash Flow (max. 5 points)
- Evidence of Committed Project Financing (max. 5 points)

**Project Design:** **Maximum 9 points**

- Diversification and combination of bedroom-types (max. 3 points)
- Accessibility compliance with the inclusion of visitability or universal design (max. 2 points)
- Intent to pursue sustainability certifications/standards (max. 2 points)
- Energy Efficiency Strategies (max. 1 point)
- Water Efficiency Strategies (max. 1 point)

**Project Readiness:** **Maximum 11 points**

- Construction Readiness (max. 6 points)
- Community Involvement (max. 5 points)

**MBE/WBE and Section 3 Plans:** **Maximum 15 points**

- Completeness and soundness of the MBE/WBE plan and supporting documentation (max. 10 points)
- Completeness and soundness of the Section 3 participation plan and supporting documentation (max. 5 points)

## **SECTION VI PROCUREMENT AND AWARD PROCESS**

Pursuant to 2 C.F.R. 200.319/24 CFR 983, 24 C.F.R. Section 85.36(d)(3) and if relevant 24 C.F.R Section 900.316, HACP is conducting this competitive selection. The following instructions are intended to aid Property Owners/Developers in the preparation of their Responses:

### **A. Pre-Submission Conference**

A Pre-Submission Conference will be conducted at **9:00 a.m. on Thursday, August 22, 2024**. Nothing discussed or expressed at the Pre-Submission Conference will change, alter, amend or otherwise modify the terms of this Solicitation unless a subsequent written amendment (addendum) is issued. Verbal responses by HACP's representatives shall not constitute an amendment or change to this Solicitation.

Material issues raised and addressed at the Pre-Submission Conference shall be answered solely through an addendum, if warranted, to this Solicitation. Likewise, ambiguities and defects of this Solicitation raised at the Pre-Submission Conference shall be corrected by a written amendment only, which, if issued, shall form an integral part hereof.

All prospective Respondents are strongly encouraged to attend the Pre-Submission Conference and site visit. Failure to attend will not excuse the legal contractual duties imposed by this Solicitation and the subsequent contract on each respondent to familiarize itself with the varying conditions at each site.

### **B. Amendments to Solicitation**

Any and all amendments to this Solicitation shall be sent by certified mail, return receipt requested, and/or by fax, to all potential Respondents who attend the Pre-Submission Conferences and/or receive the solicitation materials.

Notwithstanding any information that may be contained in the solicitation and amendments thereto, Respondents are responsible for obtaining all information required thus enabling them to submit proposals.

### **C. Submission of Responses and/or Amendments to Responses; Deadlines**

Responses may be hand-delivered or sent by certified or registered mail, return receipt requested, to the following address:

Mr. Brandon Havranek – Associate Director of Procurement  
Housing Authority of the City of Pittsburgh  
412 Boulevard of the Allies  
6th Floor, Procurement Department  
Pittsburgh, PA 15219

HACP will **accept physical proposals dropped off in person only from 8:00 a.m. until the closing time of 9:00 a.m. on Thursday, September 26, 2024**, in the lobby of 412 Boulevard of the Allies, Pittsburgh, PA 15219. Proposals may be mailed via USPS at which time they will be Time and Date Stamped at 412 Boulevard of the Allies, 6th

Floor, Pittsburgh, PA 15219. In response to the COVID-19 Pandemic, HACP will **also accept online submissions** for this RFP. For respondents wishing to submit online, please go to the following web address to upload documents:

<https://www.dropbox.com/request/9KCBYxuOx49n7etkW9xB>

**All proposals must be received no later than 9:00 a.m. on Thursday, September 26, 2024, regardless of the selected delivery mechanism.**

Any response received after the specified deadline shall be automatically rejected and will be returned unopened. Any amendments to a response must be received before the specified response due date and time established for the delivery of the original response.

#### **D. Evaluation and Award Process**

HACP staff will review each proposal to determine if it was complete and if it was responsive to this Request for proposals. HACP may allow a Respondent to correct minor deficiencies in its proposal that do not materially affect the proposal.

All proposals determined to be complete and responsive will be provided to an HACP Evaluation Committee. HACP's Evaluation Committee will evaluate the proposals utilizing the criteria established in Section V of this RFP.

HACP reserves the right to interview selected Respondents in the competitive range, request additional information from selected Respondents and/or negotiate terms and conditions with selected Respondents.

HACP will perform a responsibility determination of the highest-ranked Respondent, which may include reference and background checks.

HACP shall not be responsible and will not reimburse any Respondent for any cost(s) associated with preparing a proposal.

A proposal submitted by a Respondent does not constitute a contract, nor does it confer any rights on the Respondent to the award of a contract. A letter or other Notice of Award or have the intent to award shall not constitute a contract. A contract is not created until all required signatures are affixed to the contract.

**Proposals that meet these requirements will be evaluated and ranked by the HACP evaluation committee. A HACP ranking list will be prepared according to the points awarded to each proposal. The HACP may, in its discretion, select one or more of the proposals submitted, or none of the proposals submitted. The HACP reserves the right to reject any or all proposals, to waive any informalities in the RFP process, or to terminate the RFP process at any time, if deemed by the HACP to be in its best interests. The HACP shall have no obligation to compensate any applicant for any costs incurred in responding to this RFP.**

**HOUSING AUTHORITY OF THE CITY OF PITTSBURGH**

**Request for Proposals  
For  
Project-Based Voucher  
& Gap Financing Program**

**ATTACHMENT A**

**PBV/Gap Financing Program & Underwriting Guidelines**

# PROJECT-BASED VOUCHER AND GAP FINANCING PROGRAM

## Round 9 - 2024

### Attachment A PBV/Gap Financing Program & Underwriting Guidelines

(These Guidelines are subject to changes in  
HACP/ARMDC's policy and regulatory requirements.)



Procurement Department  
412 Boulevard of the  
Allies,  
Pittsburgh, PA 15219

**TABLE OF CONTENTS**

**1.0 INTRODUCTION .....4**

1.1 Project Funding ..... 4

1.2 ARMDC ..... 4

1.3 Eligible Projects & Respondents ..... 4

**2.0 General requirements .....5**

2.1 Good Standing and No Debarments/Suspensions..... 5

2.2 Program Threshold Requirements..... 5

2.3 Site Control ..... 5

2.4 Market Analysis..... 5

2.5 Appraisal ..... 6

2.6 Physical Capital Needs Assessment ..... 6

2.7 Substantial Changes..... 6

2.8 Funding Letters of Intent ..... 6

2.9 Financial Capacity Review ..... 6

2.10 Community Outreach..... 6

2.11 HUD Regulatory Compliance Requirements ..... 7

2.11.1 PBV Site Selection Standards ..... 7

2.11.2 Subsidy Layering Review ..... 7

2.11.3 Environmental Review ..... 7

2.11.4 Davis-Bacon Wage Requirements..... 8

2.11.5 Minority/Women-owned Contractors..... 8

2.11.6 Section 3 Employment and Contracting Requirements..... 8

2.11.7 Veteran-owned Businesses ..... 8

2.11.8 Federal Accessibility Standards..... 8

2.11.9 HUD Architectural Design Review for Compliance with Design and Accessibility Requirements..... 9

2.11.10 Relocation ..... 9

2.11.11 Form HUD-5370 - General Conditions of the Contract for Construction..... 9

**3.0 PBV PROGRAM OVERVIEW AND REQUIREMENTS ..... 10**

3.1 PBV Project Eligibility ..... 10

3.2	Rent Determination & Rent Reasonableness .....	11
3.3	Excepted Units .....	11
3.4	Housing Quality and Fair Housing Requirements .....	12
3.5	Initial Term and Contract Renewal .....	12
3.6	Pre-Construction .....	12
3.7	Unit Designation .....	12
3.8	Commitment to Utilize Awarded PBV Units as Replacement Units for Relevant HACP Developments.....	12
3.9	Other Requirements .....	12
<b>4.0</b>	<b>GAP FINANCING STRUCTURE AND LIMITS.....</b>	<b>14</b>
4.1	Affordability Restrictions (Use Agreement).....	14
4.2	Eligible Activities .....	14
4.3	Maximum Loan Amounts.....	14
4.4	Loan Term .....	15
4.5	Loan Structure.....	15
4.6	Debt Service Coverage Ratio.....	15
4.7	Loan Repayment .....	15
4.8	Total Development Costs Limits .....	16
4.9	Cost Reasonableness.....	16
4.10	HUD Cost Control and Safe Harbors .....	16
4.11	Cash Flow .....	16
4.12	Completion Guarantee.....	16
4.13	Loan Disbursement .....	16
4.14	Loan Closing Fees.....	16
4.15	Identity of Interest .....	17
<b>5.0</b>	<b>HUD PROPOSAL &amp; EVIDENTIARY DOCUMENTS.....</b>	<b>18</b>
5.1	HUD Proposal, HUD Evidentiary and Closing Documents.....	18
5.2	Major Milestones for Gap Financing Loan Approval .....	19
5.3	Due-Diligence Items .....	20

## 1.0 INTRODUCTION

The Housing Authority of the City of Pittsburgh (HACP), through this Request for Proposals (RFP), is soliciting qualified respondents (Respondents) to apply for funding through the Project-Based Voucher (PBV) and Gap Financing program (PBV/Gap Financing program). Eligible Respondents include private, for-profit developers and non-profit organizations. Respondent and Owner/Developer are used interchangeably in this RFP. Eligible uses of these funds are the development, rehabilitation and/or preservation of affordable, quality housing in the City of Pittsburgh.

HACP's PBV/Gap Financing program is created to provide the last resort development financing source and project-based operating subsidy for Owners/Developers to develop and preserve the availability of housing choices for low- and moderate-income families in the City of Pittsburgh. HACP and its instrumentality, Allies & Ross Management and Development Corporation (ARMDC), will perform programmatic analysis and underwriting analyses on all proposals submitted in response to this RFP. Respondents who receive a PBV/Gap Financing award are subject to and must perform services in compliance with HACP's policies, procedures, and Board of Commissioners' approvals; and all rules, regulations and requirements of PBV set forth in 24 CFR 983 and Mixed-Finance Development set forth in 24 CFR Part 905, Subpart F and all other applicable Federal regulations. PBV/Gap Financing projects must also comply with HUD's Moving to Work (MTW) local non-traditional development program guidelines as described below.

These guidelines may be subject to change and may be modified pending federal and state legislative requirements and/or HACP policy.

### 1.1 Project Funding

The Gap Financing loan is funded by HACP's MTW block grant funds and projects supported by MTW funds are subject to HUD's and HACP's compliance requirements. Any PBV/Gap Financing project, especially the closing of the Gap Financing loan, is subject to HUD's final approval as a Local Non-Traditional program. HACP/ARMDC will guide awardees through HUD approval processes for eligible, qualified, gap financing projects.

### 1.2 ARMDC

ARMDC, as HACP's instrumentality, performs various levels of development services for the PBV/Gap Financing program and will be the lender of Gap Financing loans. Under these Guidelines, the two entities, ARMDC and HACP, will be used interchangeably as ARMDC adheres to the regulations and policies established by HACP and HUD.

### 1.3 Eligible Projects & Respondents

Eligible projects are ones that create new affordable housing opportunities or preserve existing ones. Additionally, all the units supported by the PBV/Gap Financing program must be located within the City of Pittsburgh and Owners/Developers must commit to the long-term preservation and management of the newly developed or rehabilitated affordable housing.

An eligible Respondent is a private, for-profit or non-profit individual or business, corporation, partnership, firm, joint venture or other legal entity, duly organized and authorized to do business in the City of Pittsburgh. Eligible Respondents must be financially sound and able to provide the services being procured by HACP.

## 2.0 GENERAL REQUIREMENTS

### 2.1 Good Standing and No Debarments/Suspensions

Each Owner/Developer must be in good standing with HACP, and any Federal, State, or city entity that has or has had a contracting relationship with the Owner/Developer. Good standing means continuous compliance with all explicit obligations, while not being subject to any form of debt, sanction, debarment, suspension, disciplinary censure, or any form of lawful preclusion from participating in any public procurement activity. If the Owner/Developer has previously utilized HACP's PBV/Gap Financing loan for any certain development project, HACP will review the status of the project, including the extent of compliance with the requirements of the PBV/Gap Financing loan and its other public funding sources (e.g. Low Income Housing Tax Credits (LIHTC)) in order to determine financial and regulatory risks. If the Respondent is not in good standing with HACP, ARMDC and/or any Federal, State or Municipal entity, or if a Federal, State or Municipal entity has terminated any contract with a Respondent for deficiencies or defaults, that Respondent must disclose this information to HACP in its proposal. HACP will consider such facts and circumstances during its evaluation of the Respondent's proposal, which may be sufficient ground for disqualification. If the Respondent is selected but fails to disclose such information and HACP discovers it thereafter, then HACP could terminate the contract. Respondents must have and maintain all necessary insurance to cover malpractice liability and workers' compensation at all times, at least from the award date of this RFP.

### 2.2 Program Threshold Requirements

To be eligible for evaluation and thereby be eligible to receive funding, projects must meet the program threshold requirements as specified in Section IV Tabs 03, 04 and 05 of the RFP. All Respondents must provide adequate information in their proposals for HACP to determine the Respondent's compliance with the threshold items.

### 2.3 Site Control

Although site control is a threshold requirement for this RFP, HACP, at its discretion, may allow the site control to be completed within 90 days from the PBV/Gap Financing award date only if the proposed project submitted a convincing evidence of good faith efforts and mutual agreement among potential seller(s) and Respondent. If allowed, the 90-day site control deadline shall be strictly enforced, and any proposed projects failing to meet this requirement will have their award **immediately rescinded**. Acceptable forms of site control include: a deed to the property, exclusive negotiation letter from the City of Pittsburgh or Urban Redevelopment Authority (URA), a fully executed option agreement, and a fully executed purchase and sale agreement. If the Owner/Developer demonstrates site control through a contract of sale or an option agreement, such contract or agreement must remain in effect for at least 180 days after the RFP proposal due date and may include only commercially standard early termination clauses and conditions to closing.

### 2.4 Market Analysis

HACP requires a market analysis for all PBV/Gap Financing projects. This guidance adopts PHFA's market study requirements, regardless of whether the project uses LIHTC or not. The market study should ensure that the number and initial contract rents of housing units in a proposed development are supported by the existing and anticipated market. The market analysis should provide sufficient and clearly defined information that can be used for HUD's PBV site selection standards justification in conformity with HUD 24 CFR 905.602(d) unless the Owner/Developer provides a separate documentation for the site selection standards as described in Section 2.11 below.

## 2.5 Appraisal

If HACP's gap financing fund is used to acquire a real estate property for a project, HACP's funds must not be used to pay above the appraised value of the property. Any appraisals submitted must have had an inspection conducted within 120 days of the submission. Unless the appraisal is undertaken by or on behalf of the permanent project lender, HACP/ARMDC may wish to conduct its own appraisal and if it differs from the developer's, the final value will be settled through a third appraisal. The Owner/Developer must reimburse the costs of appraisals commissioned by HACP or ARMDC, if any.

## 2.6 Physical Capital Needs Assessment

A Physical Capital Needs Assessment (PCNA) is needed for all existing structures and rehabilitation projects applying for HACP funding. The PCNA assesses the current property condition and determines where critical improvements are required to ensure a long project lifecycle covering a minimum of 20 years. The PCNA report should include the following:

1. Inspection report and an opinion regarding both critical and non-critical needs that includes a detailed cost estimate of the up-front critical repairs and other costs that are required to ensure the project sustains a long lifecycle; and
2. Replacement reserve analysis that details a cost schedule for repairs or major maintenance. It is imperative that this analysis provides a concise recommendation for the per unit per annum contribution to the replacement reserve in anticipation of any expenditures or critical replacements identified by the first part of the report.

## 2.7 Substantial Changes

Any substantial changes to the proposal, as defined by HACP/ARMDC at its sole and absolute discretion, which includes but is not limited to changes in the Owner/Developer entity, unit mix, affordability requirements, and site location, during the underwriting or construction process must be reported to HACP/ARMDC, in writing. Any substantial changes to the initial proposal under the RFP are subject to HACP's/ARMDC's approval, which may otherwise result in re-evaluation and possible termination of HACP's contingent commitment for the PBV/Gap Financing loan.

## 2.8 Funding Letters of Intent

For proposals indicating a gap in financing due to pending funding applications or letters of intent rather than binding commitments, Respondents will have 180 days from date of HACP's Gap Financing award or LIHTC award (***Owner/Developer must refer to the Critical Timeline Post-Award section as outlined in Section I of the RFP***) to submit evidence of all necessary financial commitments. Proposals indicating a gap in financing without a letter of intent, pending application, or specifically identified and available potential funding source (such as an open, announced, or recurring solicitation or competition, including possible gap financing offered by HACP) will not be considered.

## 2.9 Financial Capacity Review

HACP/ARMDC will perform a responsibility review of Respondents, which will include reference checks and financial background checks. Respondents will submit two years of audited financial statements to HACP/ARMDC as part of the review (see Section III, Tab 10.02 of the RFP). The financial statements will be evaluated by the Chief Financial Officer to determine the Respondent's (or affiliated entity's) financial capacity to perform the tasks delineated in this RFP.

## 2.10 Community Outreach

It is the Owner/Developer's responsibility to actively and sincerely conduct community outreach efforts including, but not limited to, hosting community meetings for areas the project will impact.

All efforts must be documented, and attendance of community members needs to be noted. Respondents should provide evidence of input from City of Pittsburgh's Registered Community Organizations (RCO), if an RCO exists in the project's neighborhood.

## **2.11 HUD Regulatory Compliance Requirements**

### **2.11.1 PBV Site Selection Standards**

The proposed project must be reviewed and approved by HUD's Field Office as conforming to HUD's site and neighborhood standards outlined in 24 CFR 905.602(d), which are enforced by HUD's Office of Fair Housing Equal Opportunities (FHEO). Site and neighborhood selection standards approval is required for all development projects utilizing federally-assisted funds (i.e. MTW funds).

*Please note* that the Owner/Developer has a risk of HUD's rejection of their site selection justification. Pursuant to the RFP award, each awardee shall work with HACP to prepare a site selection standards submission that will be reviewed by FHEO and a HUD field office. Pittsburgh's HUD field office directly coordinates the submission and evaluation with FHEO. Only projects that receive FHEO's approval will be funded. HACP bears no responsibility for HUD's final decision.

### **2.11.2 Subsidy Layering Review**

All federally funded and/or subsidized development projects are subject to HUD's Subsidy Layering Review (SLR). In order to ensure that the amount of funds requested is not more than the demonstrated need, an SLR must be performed by HUD. Pursuant to Administrative Guidelines: Subsidy Layering Review [Docket No. FR-6359-N-01], HUD will perform the SLR certification process for local non-traditional development projects. A fully approved SLR is required for an Agreement to Enter into a Housing Assistance Payments Contract (AHAP) and Gap Financing closing.

### **2.11.3 Environmental Review**

HACP must obtain HUD's Part 58 environmental approval prior to execution of the PBV/Gap Financing program's legal contracts and agreements (e.g., AHAP and Gap Financing loan documents) and release of any HUD funds for PBV/Gap Financing projects. All activities funded by the PBV/Gap Financing program are subject to an environmental review under HUD's environmental regulations at 24 CFR Part 58 and must comply with the requirements of the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321et seq.) and the related laws and authorities listed at 24 CFR 58.5. Please note that the City of Pittsburgh, as the responsible entity, will commence its environmental review process only upon receipt of Pennsylvania State Historic Preservation Office's (SHPO) approval of the project. This review and approval process may take some time and it is recommended for the Owners/Developers to initiate this process at the onset.

The owner/developer must conduct two critical processes in sequence to complete the Part 58 environmental approval process as follows.

1. Assist HACP's Development Manager in submitting the Section 106 form to the SHPO to inquire about the proposed sites/buildings' historical significance. Depending on its analysis, SHPO may require archaeological investigations to be completed before giving its approval. The City of Pittsburgh only starts their environmental review process upon receipt of SHPO's approval for the project. This process is one of those items that should be done soon after HACP's RFP award and HACP staff can assist RFP awardees in finalizing and submitting the Section 106 packets to SHPO.

2. Conduct a Phase I Environmental Site Assessment (ESA) which will be submitted to the City of Pittsburgh (Part 58 responsible entity for HACP PBV/Gap Financing program). HACP will submit the ESA reports and SHPO approval to the City to initiate the City's Part 58 environmental review. The City will not accept a Phase I ESA report that is more than 6 months old at the time of submission. (Note: A Phase II ESA study or any further investigation must be conducted if recommended by the Phase I ESA report.)

#### **2.11.4 Davis-Bacon Wage Requirements**

All projects that apply for assistance under this PBV/Gap Financing RFP, regardless of how many PBV units will be operated in any project, are required to follow HUD-required wage determination wages covering the application of Davis-Bacon Wage Rates. Because these programs are resourced by federally-assisted funds (i.e., MTW funds), the Owner/Developer is required to adhere to all relevant standards. In order to ensure that the Owners/Developers are following the most current Davis-Bacon wage determinations, monitoring of the system will need to be implemented. Awardees must submit a request for Davis-Bacon wage determination to HACP's Development Manager at least a month before issuance of an invitation for bid (IFB) so that HACP/HUD's labor specialist can provide the general wage determination that will be included in the IFB. A general wage decision shall be "locked in" on the effective date of the agreement to enter into a housing assistance payments contract (AHAP) provided that construction starts within 90 days after such execution. If construction starts more than 90 days after the execution of the AHAP, the general wage decision must be updated unless an extension is obtained. Modifications to the general wage decision that are published/received prior to the lock-in dates shall be effective with respect to the project.

#### **2.11.5 Minority/Women-owned Contractors**

Minority and Women Business Enterprise (MBE/WBE) commitment is required for projects funded by the PBV/Gap Financing program. ARMDC's MBE/WBE participation goals are follows:

- MBE Goal: 25% of Construction and Professional Contracts
- WBE Goal: 10% of Construction and Professional Contracts

MBE/WBE commitment is required for any projects funded by the PBV/Gap Financing program. Monthly utilization reports are required for HACP's review during the construction period and HACP may perform any necessary due diligence it deems appropriate to assess the accuracy or appropriateness of any reports. Relevant forms will be provided closer to the start of construction.

#### **2.11.6 Section 3 Employment and Contracting Requirements**

PBV/Gap Financing projects are required to comply with HUD's Section 3 training, employment and contracting requirements. Please refer to 24 CFR Part 75 et seq. and the HACP Section 3 Policy and Program requirements. A Section 3 Plan is required for any project funded by the PBV/Gap Financing program. Monthly status reports are required for HACP's review during the construction period. Relevant forms will be provided closer to the start of construction.

#### **2.11.7 Veteran-owned Businesses**

PBV/Gap Financing projects are encouraged to provide business contracting opportunities to veteran-owned businesses.

#### **2.11.8 Federal Accessibility Standards**

All federally-assisted new construction developments are required to include five percent (5%) or one (1) unit (whichever is greater) of mobility-impaired accessible units and an additional two percent (2%) or one (1) unit, (whichever is greater) must be sensory-impaired accessible units in accordance with Section 504 of the Rehabilitation Act of 1973 (Section 504). The accessibility

standard covered by Section 504 is the Uniform Federal Accessibility Standards (UFAS). UFAS is the default standard that projects have to comply with. However, if the Developer intends to comply with Titles II and III of the Americans with Disabilities Act of 1990 (its standard is the 2010 Standards for Accessible Design), the project will have to be reviewed alongside UFAS and the stricter of the two standards shall apply. HACP requires that all units developed must be in compliance with all applicable Federal laws and regulations, Commonwealth of Pennsylvania laws and regulations and the City of Pittsburgh Building Codes.

All accessible units are subject to review and approval by HACP's third-party certifier and technical staff. Accessible unit/site design must be approved by HACP's third-party certifier prior to execution of the AHAP. Owners/Developers must submit design documents that have information (dimensions, grading, etc.) that is sufficient for the accessibility design review. It usually takes 1 – 2 months for all parties to review and revise the accessibility design. After construction, all units supported by subsidy will be subject to inspections and all accessible units and common areas will be subject to additional accessibility inspections prior to the execution of a Housing Assistance Payment (HAP) contract.

Each development project must demonstrate accessibility for, at minimum, five elements of accessibility requirements:

1. Housing units
2. Interior Accessible Route, such as hallways and elevators
3. Parking areas and the path from the parking spaces to the living units
4. Common Areas, including but not limited to, the exterior tenant trash receptacles and any ancillary property uses such as on-site playgrounds or recreation facilities
5. Non-Housing Program Facilities, if applicable.

### **2.11.9 HUD Architectural Design Review for Compliance with Design and Accessibility Requirements**

All PBV/Gap Financing projects are required to submit the following architectural plans as part of the HUD Development Proposal package:

- Site Plan
- Building Plans
- Sections and Elevations
- Unit Plans

The design of the project, including the layout of units, will be reviewed by a HUD architect and must comply with accessibility requirements specified at 24 CFR 905.312 and 905.604(g) and any other requirements which apply to the specific project. For additional HUD design criteria and requirements, please see *Exhibit A: HUD's Best Practices: Design of Mixed Finance Programs*.

NOTE: HUD has the right to request where the plans should be sent and in what format (i.e. hard copy, electronic, etc.). All costs associated with the submission of architectural plans to HUD will be at the cost of the Developer and/or the Developer's Architect.

### **2.11.10 Relocation**

All acquisition, demolition, rehabilitation, and development activities supported by the PBV/Gap Financing program shall comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (or Uniform Relocation Act) and with implementation regulations at 49 CFR part 24.

### **2.11.11 Form HUD-5370 - General Conditions of the Contract for Construction**

For construction contracts above \$150,000, the Developers must ensure that their construction contracts comply with Form HUD-5370 – General Conditions of the Contract for Construction.

### 3.0 PBV PROGRAM OVERVIEW AND REQUIREMENTS

HACP's PBV program is designed to conform to the Project-Based Voucher Program Final Rule published on October 13, 2005 at 24 CFR Part 983 as modified by the Housing and Economic Recovery Act of 2008 and Federal Register Notice 73 FR 71037, other applicable Notices from HUD, the implementing provisions of the Housing Opportunity Through Modernization Act of 2016 (HOTMA) (Federal Register Notices 82 FR 5458 and 82 FR 32461), and HACP's Housing Choice Voucher Program Administrative Plan, its MTW Agreement, as well as the RFP.

- Projects seeking and/or utilizing a 4% low-income housing tax credit (LIHTC) allocation shall not exceed twenty-five (25) PBV units. All other project types shall not exceed fifteen (15) PBV units.
- The owner entity and HACP will enter into the AHAP, which must be approved by HACP and fully executed by both parties prior to construction activities of the proposed project.
- Upon satisfactory completion of construction in accordance with the AHAP, HACP will enter into a PBV HAP contract with the property owner for designated PBV rental units for an initial term of twenty years, with the possibility of a contract extension if offered by HACP.

#### 3.1 PBV Project Eligibility

Note that certain types of housing units and/or developments **are not eligible** for PBV assistance including:

- Shared housing;
- Units on the grounds of a penal, reformatory, medical, mental, or similar public or private institution;
- Nursing homes or facilities providing continuous psychiatric, medical, nursing service, board and care, or intermediate care. However, HACP may approve assistance for a dwelling unit in an assisted living facility that provides home health care services such as nursing and therapy for residents of the housing;
- Units that are owned or controlled by an educational institution or its affiliate and designed for occupancy by the students of the institution;
- Manufactured homes;
- Transitional housing;
- Owner/Developer-occupied housing units;
- Units occupied by an ineligible family at the time of proposal submission or prior to execution of the HAP contract; however, HACP will accept proposals for existing properties with a limited number of currently ineligible households.
- Units for which construction or rehabilitation commenced prior to execution of the AHAP.
- Property will not be constructed or rehabilitated with other rental assistance under the U.S. Housing Act of 1937 in accordance with 24 CFR 983.54.
- Subsidized housing unit types determined ineligible in accordance with HUD regulations. These include, but are not limited to, public housing units; units subsidized with any other form of Section 8 assistance; units subsidized with any governmental subsidy that covers all or part of the operating costs of the housing; units subsidized with rental

assistance under Section 236, Section 521 or Section 101; units subsidized with Section 202 including supportive housing for the elderly; units subsidized under Section 811; units subsidized with any form of tenant-based rental assistance as defined at 24 CFR 982.1(b)(2) including units subsidized with such assistance under the HOME program; and, units with any other duplicative federal, state or local housing subsidy as determined by HUD or HACP.

### 3.2 Rent Determination & Rent Reasonableness

All Respondents applying for subsidy must submit an application to HACP for rent determination and reasonableness. Initial contract rent for PBV units are subject to HACP review and approval, including review for rent reasonableness, as required by HUD.

Rent levels are subject to HACP review and approval, including review for rent reasonableness, as required by HUD. Final rent levels for the initial HAP contract will be determined upon HAP execution. The amount of the rent to the Owner/Developer is determined in accordance with HUD regulations. The rent to Owner/Developer including any applicable tenant utility allowances must not exceed the lowest of:

1. The applicable Tiered Voucher Payment Standard or for units meeting the mobility-impaired accessibility requirements, the applicable Reasonable Accommodation Voucher Payment Standard (as provided in Exhibit B); or
2. The rent reasonableness study conducted by HACP; or
3. The rent requested by the Owner/Developer.

Note: The Tiered Voucher Payment Standards and Reasonable Accommodation Payment Standards are subject to HUD's approval. Flexibility is limited to the MTW Agreement between HACP and HUD.

### 3.3 Excepted Units

Per HUD regulation 24 CFR 983.54, the number of PBV-assisted units in a project cannot exceed the greater of 25 units or 25 percent (25%) of the total number of dwelling units in the project.

The currently available exceptions to this cap are:

- Units exclusively serving elderly families (head, co-head, spouse or sole member(s) is 62 years of age or older).
- Units made available specifically to households eligible for supportive services such as families with a household member with a disability, as well as other populations. This exception is designed for housing with linked supportive services for various special needs populations that have a preference for families requiring the available services. See HUD regulations at 24 CFR 983.56 as amended by notices implementing HOTMA, as referenced above.
- Projects in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey five-year estimates, are subject to an alternate cap, which is the greater of 25 units or 40 percent (40%) of the total number of dwelling units in the project.

Respondents considering "Excepted Units" MUST:

- Specifically identify the exception requested, and provide evidence of eligibility for the exception;
- For Excepted Units for supportive services, specifically identify the service to be provided, the entity providing the service, and provide a detailed description of the

service including a description demonstrating service availability to all resident households and any preferences proposed for households requiring those services.

- The Excepted Units Plan will be reviewed and approved by HACP as part of the project's underwriting process.

NOTE: Regardless of the conditions referenced above, no project shall exceed the PBV limits established in Section 3.0 of these guidelines.

### **3.4 Housing Quality and Fair Housing Requirements**

All developments funded by PBV assistance must meet the following standards and requirements:

- Applicable laws regarding non-discrimination and accessibility requirements, including the Fair Housing Act and Title VI of the Civil Rights Act of 1964;
- Housing Quality Standards (HQS) (HQS is a series of standards for the condition of the unit related to habitability, safety, and decency. HQS standards can be found at 24 CFR Part 982.)
- PBV Site Selection Standards in HUD 24 CFR 905.602(d).

### **3.5 Initial Term and Contract Renewal**

The initial term of the PBV HAP contract will be twenty (20) years unless otherwise specified. Prior to expiration of the initial contract term, the Owner/Developer will be required to renew the HAP contract for another maximum term allowed by HUD at that time, subject to HACP's approval and HUD's ability to provide PBV assistance based on available appropriations or other related factors.

### **3.6 Pre-Construction**

**The AHAP must be executed before construction can begin on a project.** The awarded PBVs will be withdrawn should construction begin prior to issuance of the AHAP.

### **3.7 Unit Designation**

Contracted PBV subsidy can float with prior written approval from HACP as long as the substitute unit meets all PBV requirements. HACP will calculate rent reasonableness for any substitute unit and amend the exhibit of the HAP Contract to reflect the changes, if any.

### **3.8 Commitment to Utilize Awarded PBV Units as Replacement Units for Relevant HACP Developments**

Up to one hundred percent (100%) of PBV units in the awarded project will be committed to be utilized as new replacement units for certain public housing units owned by HACP. For a potential Choice Neighborhoods Implementation Grant (CNIG) program of U.S. Department of Housing and Urban Development, the Owner commits to HACP that it will provide up to one hundred percent (100%) of PBV units in the awarded project as replacement units for certain CNIG applications or awarded CNIG programs that are sponsored by HACP (CNIG PBV Units). HACP and/or ARMDC will determine the types and number of CNIG PBV Units required for certain CNIG projects. The CNIG PBV Units must be offered to CNIG-eligible residents. The tenant applications of CNIG-eligible residents must be approved for the CNIG PBV Units as long as they meet low income housing tax credit regulations and are compliant with the lease agreement while residing in the Authority's properties and during the CNIG temporary relocation period, with no additional background checks or screening from the Owner Entity or its property manager.

### **3.9 Other Requirements**

HACP will review all applications and, before selecting units, determine that each application is responsive to and in compliance with HACP's written selection criteria and procedures, and in

conformity with HUD's program regulations and requirements. **All proposals must provide adequate information for HACP to determine proposal compliance with the following:**

- That the Owner/Developer and other project principals are not on the U.S. General Services Administration list of parties excluded from Federal procurement and non-procurement programs.
- Property must meet eligibility requirements under 24 CFR 983.53 (Eligible and ineligible Properties and HACP- owned units), 24 CFR 983.4 (Other Federal requirements), and the Site and Neighborhood Standards detailed above.
- Property will not be constructed or rehabilitated with other assistance under the U.S. Housing Act of 1937 in accordance with 24 CFR 983.54.

#### 4.0 GAP FINANCING STRUCTURE AND LIMITS

The Gap Financing program will provide funding towards the development of affordable housing units (existing, rehabilitated, or newly constructed housing units) within the City of Pittsburgh. HACP intends to offer Gap Financing as the last source of funds required to implement a development plan (i.e. a development project would not be implemented but for the provision of HACP's Gap Financing loan). HACP will only provide Gap Financing to a particular project that has met all of the following criteria:

- Owners/Developers have secured a Project Based Voucher Award from HACP through this solicitation.
- Owners/Developers must secure either a 9% or 4% allocation of LIHTC from PHFA, or raise enough equity from alternate sources greater than, or equal to, the expected 9% or 4% LIHTC allocation covering at a minimum the units to be considered affordable in the project.
- Owners/Developers have applied for or secured commitment of other gap financing from third-parties other than HACP before HACP can commit any funding to the deal.
- Owners/Developers must secure written commitments from all possible funding sources (i.e. loans, grants, private equity, etc.).
- The project meets HACP's But/For Test.

##### 4.1 Affordability Restrictions (Use Agreement)

Affordability income range and term must be approved by HACP and HUD. HUD's Use Agreement will govern certain affordability restrictions for each development. HUD's minimum affordability use term is 30 years and, if applicable, it will increase to follow any loan term of Gap Financing loan that goes beyond 30 years.

HACP must record a Use Agreement as the first document in a recording order of a Gap Financing project. In general, the income restriction will be consistent with the PBV income requirements, and the term of affordability will be consistent with HUD's minimum term or the term of the Gap Financing loan, **whichever is greater**.

##### 4.2 Eligible Activities

HACP's Gap Financing loan can be used for typical development project costs except for the following **ineligible uses**:

- Operating reserves
- Developer fee or deferred developer fee
- Construction of commercial or retail space
- ARMDC Loan Closing Fees (as outlined in Section 4.14 Loan Closing Fees)
- Borrower and/or Closing Fees for other project lenders

NOTE: ARMDC does not provide a predevelopment fund or predevelopment loan under the Gap Financing program.

##### 4.3 Maximum Loan Amounts

The Gap Financing funds will be provided in the form of a construction loan or a construction/permanent loan. The maximum loan amount that can be provided is \$100,000 per PBV unit, regardless of the primary equity financing method (LIHTC or Non-LIHTC) and subject to HACP's funding availability. The maximum loan amount that can be provided to each project is subject to HACP's funding availability.

#### 4.4 Loan Term

The maximum term of each ARMDC Gap Financing loan shall not exceed 45 years.

#### 4.5 Loan Structure

- Cash Flow Based Loan
  - ARMDC's Gap Financing loan is provided as the last resort gap financing tool for the proposed projects. As a result, ARMDC's Gap Financing is often structured as a cash flow-based loan. ARMDC will review the project financing and deal structure in detail.
  - The Gap Financing loan should be the first position with respect to other soft loans except for deferred developer fee. Each project's overall cash flow distribution, especially Gap Financing loan repayment and any other related fees for HACP/ARMDC must be approved by HACP/ARMDC.
- Amortization Loan
  - Under certain conditions, such as favorable financial terms and conditions agreeable by all parties that can also help sustain HACP/ARMDC's affordable housing funds, the Gap Financing loan can be structured to provide a hard amortization debt that requires a fixed amount of loan repayment on an annual basis along with an annual service fees.

#### 4.6 Debt Service Coverage Ratio

If the Debt Service Coverage Ratio (DSCR) exceeds 1.30 on average for the first 15 years in the operating pro forma calculation, the Owner/Developer should either:

1. Increase the amount of the senior hard loan to increase fixed repayment to lower the DSCR to 1.30 level, or
2. Convert a portion or all of HACP's Gap Financing loan to a hard debt that generates fixed repayment to lower the DSCR to 1.30, or
3. Increase cash flow distribution substantially to HACP/ARMDC Gap Financing loan repayment if the loan is structured as a cash flow loan.

Note: ARMDC can consider a higher DSCR limit up to 1.45 if the ARMDC Gap Financing loan is structured for a 30-year or shorter amortization period subject to HUD's approval. Based on a standard pro forma assumption (i.e., rents increase by 2 percent (2%) per year and expenses increase by 3 percent (3%) per year), a higher DSCR can be allowed to maintain DSCR at or above 1.00 during the first 15 years.

#### 4.7 Loan Repayment

1. Loan repayment will begin within 180 days after the first full year of property operations.
2. The soft loan repayment schedule will be based upon the borrower's capacity to repay the loan through the project's operating income as determined by ARMDC, using the projected operating cash flow analysis.
3. For cash flow loans, a balloon payment of principal and interest, if any, will be due on the maturity date of the loan. The HACP/ARMDC loan will at a minimum carry an interest rate equivalent to the long-term adjusted Applicable Federal Rate (AFR) at the time of closing, or at parity with other hard or significant soft debt, unless there is a compelling public purpose rationale to use a lower interest rate.

#### **4.8 Total Development Costs Limits**

HUD enforces limits on the Total Development Costs (TDC) of projects, especially those administered by Public Housing Authorities that use public housing funds. As a result, each application will be subjected to a review to ensure compliance with 24 CFR 905.314 TDC limits. The information shall be provided in HUD's spreadsheet template as part of HUD development proposal packet. (*Exhibit C. Mixed-Finance Development Proposal and TDC Workbook*)

#### **4.9 Cost Reasonableness**

HACP reserves the right to request additional information from all Respondents in order to determine the cost reasonableness of a proposed project. Development cost will be evaluated by comparing costs to similar developments or previous phases of a development. Total development costs and operating expenses will be evaluated on a per unit and/or per square foot basis.

#### **4.10 HUD Cost Control and Safe Harbors**

HACP's PBV/Gap Financing projects are subject to HUD's Cost Control and Safe Harbors. HUD's Cost Control and Safe Harbors regulate various elements of the project development budget. The TDC workbook model provides some key cost control items for verification.

(*Exhibit D. HUD Cost Control and Safe Harbors*)

#### **4.11 Cash Flow**

Projects should not generate excessive cash flow. Annual net cash flow should be less than 10% of annual total operating expenses.

#### **4.12 Completion Guarantee**

ARMDC's Gap Financing loan also requires the Owner/Developer to provide a completion guarantee in a form prescribed by ARMDC.

#### **4.13 Loan Disbursement**

The disbursement of development funding sources must be clearly presented in a monthly draw schedule for the construction period and approved by ARMDC prior to financial closing. ARMDC disbursements shall not exceed the following amounts based on the following project milestones:

- At Closing: Up to 25% of ARMDC's loan amount may be disbursed for reimbursement of professional fees and costs.
- Construction Period: At least two (2) additional disbursements during the construction period. No disbursement shall exceed 35% of ARMDC's loan amount.
- Construction Completion: ARMDC will retain ten percent (10%) of its Gap Financing loan, which will be released upon construction completion.

ARMDC's Gap Financing loan proceeds will be disbursed only after the following conditions are met for each payment period:

- ARMDC's construction inspector's sign off on each payment application;
- Monthly MBE/WBE/Section 3 reports in ARMDC's prescribed format;
- Each draw request must be fully documented with an invoice guide that clearly describes uses of individual funding sources and a copy of backup documents including receipts.

#### **4.14 Loan Closing Fees**

HACP/ARMDC will be paid for the following items related to closing of the Gap Financing loan:

1. HACP/ARMDC legal fees: Up to \$25,000 (HACP, at its discretion, may require additional legal fee reimbursement for complex projects that include, but are not limited to, two

limited partnerships, condominium ownership structure, more than one tax credit program, etc.)

2. Gap Financing Loan Origination fee: 1% of Loan Principal Amount
3. Servicing Fee: An annual servicing fee of \$5,000 or one-half percent (.5%) of the outstanding principal balance, whichever is lesser, shall be due each April 15th for the term of the Gap Financing loan or until the outstanding balance is repaid in full. The initial fee may be financed as part of the total project cost.
4. Construction Inspection Fee: \$5,000

#### **4.15 Identity of Interest**

If there is an identity of interest (IOI) between the Developer and the contractor/builder, i.e., a financial relationship between the two parties, the Developer may award the construction contract to the related contractor/builder only if it has met one of the following requirements prior to HUD's approval of the Development Proposal. If an IOI is applicable to a project, the developer must select one of the following allowable scenarios and provide the required information.

- 24 CFR 905.604(i)(1): There has been a bidding procedure and the related contractor's bid was the lowest bid received. Provide documentation on the bidding process and bids received.

OR

- 24 CFR 905.604(i)(2): There is an independent third-party cost estimate that shows the related contractor's price to be at or below the cost estimate. Provide a copy of the cost estimate and the related contractor's cost or construction contract.

## 5.0 HUD PROPOSAL & EVIDENTIARY DOCUMENTS

### 5.1 HUD Proposal, HUD Evidentiary and Closing Documents

All gap financing projects must be presented to and approved by HUD’s panel and various HUD offices in addition to HACP/ARMDC. HUD’s Development Proposal templates are used for HUD’s panel review. (*Exhibit C: Mixed-Finance Development Proposal and TDC Workbook*).

Upon submission of the Development Proposal, HACP has to submit for HUD’s review certain evidentiary documents including, but not limited to the following documents:

- Use Agreement
- ALTA survey,
- Title policy pro forma
- Title Commitment (and copies of all exception documents, if applicable)
- Recording order
- HACP Legal Counsel’s opinion letter

It typically takes a minimum of 45 days for HUD’s review/comments on the development proposal. It takes a minimum of 45 days for HUD’s Evidentiary documents review and final gap financing program approval. However, **HUD’s architectural design** review can start as soon as possible before submitting the development proposal if HUD permits, as the HUD architectural review can significantly alter a unit plan and site plan to comply with HUD’s accessibility and livability standards and recommendations. NOTE: HUD’s review of the development proposal and/or evidentiary documents may take additional time depending on the complexity of the project, significant issues, and/or insufficient information provided. Additionally, HUD reserves the right to request any additional evidentiary documents.

<b>HACP/ARMDC Financial Closing Documents</b> (Submit these documents to the ARMDC’s Development Manager at least 2 months prior to the anticipated financial closing date)		
<b>PBV</b>		
<input type="checkbox"/>	PBV Agreement to Enter Into Housing Assistance Payment Contract (AHAP)	
<input type="checkbox"/>	Rent Reasonableness approval,	<i>Prior to the execution of an AHAP, the Owner/Developer must ensure compliance with all HACP and HUD required compliance, such as the completion of the following:</i>
<input type="checkbox"/>	Subsidy Layering Review,	
<input type="checkbox"/>	Environmental Assessments,	
<input type="checkbox"/>	Accessibility Design approval, and	
<input type="checkbox"/>	Excepted Unit Plan (if applicable).	
<b>A/E and Construction</b>		
<input type="checkbox"/>	Architectural Contract	
<input type="checkbox"/>	Construction Contract	
<input type="checkbox"/>	100% Architectural Construction Documents and Specifications	
<input type="checkbox"/>	Building Permits	
<input type="checkbox"/>	Construction Drawings and Manual approved and sealed	
<input type="checkbox"/>	Evidence of Contractor’s Insurance	
<input type="checkbox"/>	Planning/Zoning Approvals	

<b>Financing</b>	
<input type="checkbox"/>	Commitment Letters for All Other Financing (Initial and Final)
<input type="checkbox"/>	Final/Updated HUD Development Proposal/TDC Calculation Packet
<input type="checkbox"/>	ARMDC Loan Agreement, Mortgage, Promissory Note
<input type="checkbox"/>	ARMDC Completion Guaranty
<input type="checkbox"/>	Loan Documents from All Other Funding Sources
<input type="checkbox"/>	Overall Project Schedule
<input type="checkbox"/>	HUD Part 58 Approval (7015.16)
<input type="checkbox"/>	Subsidy Layering Review
<b>Other HUD Requirements</b>	
<input type="checkbox"/>	M/WBE Subcontractor Commitment
<input type="checkbox"/>	Section 3 Plan
<input type="checkbox"/>	Relocation Plan (if applicable)
<input type="checkbox"/>	Davis Bacon Wage Decision (latest update prior to execution of construction contract)
<b>Other</b>	
<input type="checkbox"/>	Good Standing Certifications & Incumbency Certificates
<input type="checkbox"/>	Management Plan and Management Agreement
<input type="checkbox"/>	Form of Resident Leases (including Tenancy Addendum Section 8 Project-Based Voucher Program)
<input type="checkbox"/>	Phase I – Environmental Site Assessment
<input type="checkbox"/>	Physical Needs Assessment (If Applicable)

## 5.2 Major Milestones for Gap Financing Loan Approval

The following activities are major milestones in the development approval process that must be completed to receive PBVs and Gap Financing. NOTE: several of these activities are processed on parallel tracks.

<b>ACTIVITY</b>	<b>DURATION</b>
Due diligence items	<b><i>Owner/Developer must refer to the Critical Timeline Post-Award section as outlined in Section 5.3 below and Section I of the RFP</i></b>
Part 58 Approval Process <ul style="list-style-type: none"> <li>• <i>Step 1:</i> State Historic Preservation Office inquiry &amp; approval.</li> <li>• <i>Step 2:</i> City of Pittsburgh &amp; HUD Field Office Environmental Review.</li> </ul>	The entire process can take 5 – 6 months for a non-complicated project. It can take longer if archaeological investigations and detailed environmental analysis/remediation plans are required.
Submission of HUD Development Proposal Package	Upon completion of all funding awards (e.g., LIHTC, FHLB's AHP, etc.) and final commitments of equity and loans
HUD Panel Review	Within 30-45 days from the submission of a proposal package (If the proposal package has significant issues or insufficient information, HUD's review may take longer.)

Complete Draft of Agreement to Enter into PBV HAP Contract (AHAP)	Timeline of AHAP process is separate from the Gap Financing program
Initial Evidentiary Submission to HUD	After HUD’s panel review and preliminary (verbal) approval from HUD’s grant manager for the HUD development proposal package.
HUD approval for financial closing	Within 45 days from the initial evidentiary submission with no significant issues

A workflow chart and responsibility matrix of PBV/Gap Financing activities can be found in [Exhibit E: PBV/Gap Financing Responsibility Matrix & Workflow Chart](#).

### 5.3 Due-Diligence Items

The Owner/Developer must submit due-diligence items within 180 days from the date of HACP’s Gap Financing award or LIHTC award (**Owner/Developer must refer to the Critical Timeline Post-Award section as outlined in Section I of the RFP.**)

1. Securing of all equity and grant funding awards and written commitment of all loans
2. Draft of HUD Development Proposal package including the TDC workbook
3. Draft of Exhibits B and C of the AHAP

**Exhibit A. HUD’s Best Practices: Design of Mixed Finance Programs**  
(See Attached)

## Best Practices: Design of Mixed Finance Programs

Recognizing the important impact that the Mixed Finance program can have in defining the physical form of communities and the quality of life of residents, Public Housing Authorities (PHAs) should carefully consider the design of projects included in their Mixed Finance Development Proposals. A key goal of the Mixed Finance program is to provide high-quality housing for all residents, which is well located, well designed and blends seamlessly with the neighborhood, includes buildings that are energy-efficient and environmentally friendly, and incorporates principles of healthy design, including livability, furnishability, visitability, and accessibility. PHAs are encouraged to offer units and amenities that are comparable to the surrounding community. The following discussion of best practices is provided to help PHAs achieve these important goals. While accessibility notes are requirements, Public Housing Authorities are encouraged to consider how the following best practices can be incorporated into their development plans. PHAs are also encouraged to share this information with their partner developers, architects, and broader community.

### **Accessibility**

Housing constructed under the Mixed Finance program must address the needs of persons with disabilities to assure that all residents benefit from the program. The HUD architect will review plans to ensure that all new construction and rehabilitation of existing buildings is done in compliance with federal accessibility requirements, including the following:

- a) [24 CFR 905.606 \(a\)\(5\)](#): “A PHA must provide sufficient information for HUD to determine that dwelling units and other public housing facilities meet accessibility requirements specified at §905.312 of this part, including, but not limited to, the number, location, and bedroom size distribution of accessible dwelling units (see 24 CFR 8.32 and 24 CFR part 40).”
- b) Section 504 of the Rehabilitation Act of 1973
- c) The Fair Housing Act and its implementing regulations at 24 CFR part 100
- d) Title II of the Americans with Disabilities Act and its implementing regulations at 28 CFR part 35
- e) The Architectural Barriers Act of 1968 and its implementing regulations at 24 CFR part 40, as applicable.
- f) Uniform Federal Accessibility Standards (UFAS) (through HUD regulations under part 8), 1988.
- g) Fair Housing Act Design Manual, 1996, revised 1998.
- h) Americans With Disabilities Act Accessibility Guidelines, 2010.

PHAs should consult PIH Notice 2010-26:

<http://www.hud.gov/offices/pih/publications/notices/06/pih2010.26.pdf> for an overview of all pertinent laws and implementing regulations related to accessibility for persons with disabilities and FR-5784-N-01:

Nondiscrimination on the Basis of Disability in Federally Assisted Programs and Activities:

<http://www.gpo.gov/fdsys/pkg/FR-2014-05-23/pdf/2014-11844.pdf>.

### **Architectural Review Process**

All Mixed Finance activities, which include construction or rehabilitation, must meet or exceed local building codes, as determined through the local permitting process. HUD will also undertake an architectural review to ensure plans promote Mixed Finance design guidelines, as well as address Federal accessibility requirements. Each Mixed Finance project is assigned a HUD Architect. The HUD Architect will work in partnership with the grantee and the grantee's architect to assure the best possible design for each individual Mixed Finance project.

To assist in this review, the HUD Architect must receive the following information from the grantee as early as possible in the design process to allow for input to be easily incorporated in the plans.

- a) Site Plan: should show the layout of proposed buildings; should consider orientation to the sidewalk to provide 'eyes on the street'; sidewalks should be buffered from adjacent streets using shade trees and greenway providing connections to public recreational areas; parking areas should have appropriate lighting; public and private spaces should be clearly defined.
- b) Building Plans: must show the location, type and mix of accessible and visitable units.
- c) Sections and Elevations: must identify wall and roof materials.
- d) Unit Plans: must show the livability of the spaces within the dwelling unit by providing adequate floor area for the number of residents, furniture, and circulation spaces.
- e) Energy efficiency/green design features: identify the nationally or regionally recognized green standard – LEED, EarthCraft, Enterprise Green Communities, etc. – to which units will be constructed and discussed.

### **Livability and Furnishability**

The long-term marketability of housing developments, whether apartments, townhomes or single-family homes, is affected not only by their size, but also by the livability of their units. The following guidance is provided to assure that housing units provide adequate space in each room; that units can comfortably accommodate the anticipated number of occupants; that units provide basic amenities for daily activities; and that units meet basic furnishability principles. However, HUD understands that each project is different and therefore project design must take into consideration such factors as the local market, financial feasibility, unit mix, income mix, location, comparability with other units in the area, etc. **High rise family buildings shall have three bedroom, four bedroom and five bedroom units on the first three floors and studios, one and two bedroom units on the remaining or upper floors. If there are community spaces or commercial spaces on the first floor, place the larger units on the second, third and fourth floors of the building. All exterior play spaces at grade or on the roof shall have southern exposure in mid- and high-rise buildings.**

The furnishability principles listed below are intended to assure the livability of rooms within a dwelling unit by providing adequate floor area for furniture, adequate circulation space for convenient access to furniture or appliances, adequate storage space, and adequate allowances for doors opening and closing. HUD architects will use these principles when reviewing projects. PHAs should work in partnership with their HUD architect starting early in the process to produce the best possible design for the project and its residents. Note that projects must also meet applicable building codes in their locality.

### Living Areas

Living and dining areas should be sufficient to provide adequate space based on the number of people that will be residing in the unit. Units with more bedrooms, and thus more people, should have larger living areas that accommodate furnishings that will serve the number of residents in the units. The living area should also include adequate space for a dining table that will accommodate a resident in a wheelchair.

Living Areas	Suggested Minimum Width	Comments
<i>Living Room</i>	12 feet	Minimum width in all living rooms or spaces.
<i>Dining Area</i>		
a) 1 & 2 bedroom units	9 feet	
b) 3 & 4 bedroom units	12 feet	Allow a rising space of 48 Inches to wall or furniture behind the edge of the table.

### Bedrooms

Bedrooms should be of adequate size to accommodate bedroom furnishings, such as a bed, dresser, as well as night stands next to the bed. While bed sizes will vary among residents, master bedrooms should be able to accommodate larger beds than smaller bedrooms that will most likely be for children. Thought should also be given to the size and layout of bedrooms in accessible units. **There shall be a minimum of 36 inches for an accessible route on three sides of a queen, double or single size bed for disabled residents to maneuver. There shall also be 48" between the foot of the bed and dresser in accessible units. Windows shall be operable from a wheelchair. Review UFAS A4.2.4 and Fig. A3 for Dimensions of an Adult-Sized Wheelchair.**

Bedrooms	Suggested Minimum Width	Comments
Master Bedroom a) Queen size bed b) 18" x 60" large dresser c) 2 nightstands	12 feet	Clearance: a) 36" for circulation b) 36" between bed & wall c) 48" in front of dresser or closet.
Secondary Bedrooms a) Double bed (queen preferred) b) 18" x 60" large dresser c) 2 Nightstands	11 feet	Clearance: a) 36" for circulation b) 36" between bed & wall c) 48" in front of dresser or closet.

### Kitchens

Kitchens should be designed to serve the number of residents in the unit. For example, kitchens in units with three bedrooms shall provide more base cabinet workspace than kitchens in a one-bedroom unit. Counter space and cabinets should be sufficient for cooking and storage. Major appliances such as dishwashers,

garbage disposals and microwaves shall be provided and again be in line with unit size. **Accessible units shall provide sufficient space and exceed the minimum required dimensions for maneuvering within the kitchen. All base cabinet and pantry shelving shall be on rollers with touch release hardware in accessible units. All units shall contain a utility closet for mops, brooms, buckets, vacuum cleaner and other cleaning supplies. Hearing and visually impaired units shall have task lighting mounted under wall cabinets in kitchens. Provide rocker switches in all accessible and senior units. Provide 24" deep shelves over front loaded washers and dryers within the reach range of a person in a wheelchair. Shelves can also be placed on the side walls of the washer-dryer closet. Provide lighting over the island in kitchens.**

<b><i>Kitchen</i></b>	<b>Suggested Minimum Size</b>	<b>Comments/ Notes</b>
a) Counter space	18 inches of clear counter space on each side of each appliance and fixture; 24 to 36 inches required for 3, 4 and 5 bedroom units.	Provide an island for extra cabinet storage in all L-shaped kitchens. Kitchen islands shall be a minimum of 36" x 60". Accessible units shall show the eating section of the island at a height of 30" x 15" deep. Show lighting above the island.
b) Width	48 inches between base cabinets or appliances opposite each other in galley or L-shaped kitchens or 60 inches or more between all U-shaped kitchens.	
c) Appliances	Refrigerators shall be sized according to unit size. Provide cut sheets of all Kitchen appliances.	New construction and rehab units shall include dishwashers; garbage disposals; washer/dryers in all senior and family units.
<b>Accessible Kitchens</b>		Provide side by side refrigerators and ADA compliant dishwashers in all accessible units.

### **Closets**

Thought should be given to providing adequate closet space and general storage closets throughout the unit to allow residents the ability to store clothes, cleaning products and other items out of living/sleeping areas. Clothes closets shall be provided in bedrooms and be large enough to accommodate a normal amount of clothing for two residents. A storage place or mud room for coats/shoes/boots shall be considered at front and rear of units, particularly in cold climates. A closet for brooms/mops, cleaning supplies, etc. and pantry for

food storage canned goods, etc. shall be provided. In addition, consideration should be given to bulk storage closets or space to store outdoor items, such as bikes, sleds, lawn chairs, holiday decorations, etc., should be provided so items are not left to sit outdoors or on balconies. Add exterior lockable storage at grade, porches and balconies.

<b>Closets</b>	<b>Suggested Minimum Size</b>	<b>Comments</b>
		All storage closets should increase in square footage or area as the number of bedrooms increases.
<b>Entry Closets</b>		
a) 1 & 2 bedroom units	2 feet by 3 feet	
b) 3 & 4 bedroom units	2 feet by 6 feet	
<b>Bedroom Closets</b>		Shall be located in or adjacent to the bedroom, not in the hall or bathroom.
a) Master bedroom	2 feet by 8 feet	
b) Secondary bedrooms	2 feet by 6 feet	
Linen Closets with doors and sliding shelves in deep closets in accessible units.		Shall be provided in the bathrooms of all senior & accessible units. Linen closet shelving can also be located in a bedroom closet.
a) 1 & 2 bedroom units	1 ½ feet by 2 feet	
b) 3 & 4 bedroom units	3 feet by 2 feet	
<b>Pantry, Utility and Bulk Storage Closets.</b>		Shall be located in or adjacent to the kitchen, hall, etc.
<b>Exterior Bulk Storage Closets.</b>	Minimum depth of 30" x width of balcony or patio.	Provide tenant exterior storage on patios and balconies or in a parking garage.

### **Bathrooms**

The number of bathrooms provided shall be directly related to the number of bedrooms. Bathrooms shall not open onto kitchens, dining and living areas. Accessible units shall comply with UFAS and Fair Housing Act Design Manual and other federal requirements. Provide visitable bathrooms at the first floor of all townhouse units. Guests shall not enter a resident's bedroom to use their private bathroom. If a bathroom is entered from a resident's bedroom, the bathroom shall have a separate entry from the semi-public or hall of the unit. This design is especially important for one or two bedroom accessible units.

<b>Bathrooms</b>	<p>Shower controls and soap dish shall be mounted on the long wall in all accessible showers, adjacent to the front edge of the folding seat.</p> <p>Linear drains shall be installed in showers rather than in the floor of the bathroom.</p> <p>Provide sliding shelves with touch release hardware in linen closets.</p>	<p>Semi-public bathrooms shall be accessible without going through the bedroom in all units; Shall not be adjacent to or opening onto living, dining or kitchen spaces in all units; no medicine cabinets located above the toilet. All accessible units shall have a minimum clear space of 60" inches diameter to make a 180-degree turn without turning under a lavatory. Bathroom doors opening out shall have a handle located 6" from the hinge side of the door.</p> <p>Provide a lavatory in all bathrooms; no single hospital type sinks in residential bathrooms.</p>
a) 1 & 2 Bedroom Units		Provide 1 bathroom in one bedroom units and 1 ½ bath or 2 bathrooms in two bedroom units.
b) 3 Bedroom Units		Provide 2 bathrooms. Bathrooms shall be designed as compartmentalized space, with additional fixtures allowing for use by more than one resident at a time; accessible units with 2 bathrooms shall have one bathroom with a tub and the second bathroom with a bath/shower. as a minimum requirement. Add a built-in soap dish adjacent to all shower controls.
c) 4 & 5 Bedroom and Two-Story Apartment Units		Provide 2 ½ or 3 bathrooms. Bathrooms shall be designed as compartmentalized space, if there are 2 or 3 bedrooms

		on the second floor. Additional fixtures allow for more than one resident to use the bathroom at the same time.
d) 1, 2 & 3 Story Townhouses	Accessible bedroom on the first floor shall be large enough to contain a queen size bed, an 18" x 60" dresser and two nightstands and 36" on three sides of the bed.	2 bedroom or larger units shall have a visitable ½ bath on the entry level or an accessible bathroom if a bedroom is on the first floor. Each floor, in a 3-story unit, shall have a bathroom.

### **Site and Exterior Improvements**

Consideration should be given to the appropriate site plan. Walkways, parking lots, and other common areas should be accessible to allow residents and visitors to easily traverse the site and to enter units. Defensible space principals, including placement of buildings and "private" space shall be shown in the drawings. Landscaping should be attractive and appropriate for the local climate. Thought should be given to the placement of facilities such as trash, mailboxes, HVAC, etc. There should be safe and accessible areas for children to play. PHAs are encouraged to consider the principles of New Urbanism in their design.

<b><i>Site and Exterior Improvements</i></b>		
a) Accessible path		Provide an accessible path to the primary entry of all ground floor units for disabled visitors
b) Common area facilities on an accessible path		Show walkways, slope and landing dimensions at ramps, accessible parking spaces, van stall locations, mailboxes, play lots, trash enclosures shall be accessible to wheelchair residents.
c) Landscape plans		Use drought resistant plants & water conservation techniques
d) Screening		Screen unsightly items, such as transformers, with appropriate landscaping or architectural screens

e) Quick couplers/hose bibs		Locate near trash enclosure or front and rear of ground floor units.
f) Private space		New units should have private exterior space in the form of a patio, balcony, deck, etc.
a) Playlots, Recreational Space for Senior and Family Housing		Thought should be given to where young children can play or where older children congregate. Areas should be accessible, safe and integrated into the site, not isolated. All play and community exterior spaces in family and senior housing shall have southern exposure.

### **Further Information**

For further information on design and the design process, contact your Mixed Finance Grant Manager or your Architects, Ron Bedford at [Roland.Bedford@hud.gov](mailto:Roland.Bedford@hud.gov) and [Nicole.D.Green@hud.gov](mailto:Nicole.D.Green@hud.gov) In addition, the following provides related information:

- 1) "Principles for Inner City Neighborhood Design"  
<https://www.huduser.gov/Publications/pdf/principles.pdf>
- 2) Congress for New Urbanism [www.cnu.org](http://www.cnu.org)
- 3) "The New Face of Public Housing"  
[https://www.cnu.org/sites/default/files/NewFaceOfAmericanPublicHousing\\_1.pdf](https://www.cnu.org/sites/default/files/NewFaceOfAmericanPublicHousing_1.pdf)

**Exhibit B. Tiered Voucher Payment Standards and Reasonable  
Accommodation Payment Standards**  
(See Attached)

TIER	EFF	1	2	3	4	5	6
1	<b>1,616</b>	<b>1,701</b>	<b>2,045</b>	<b>2,597</b>	<b>2,826</b>	<b>3,249</b>	<b>3,673</b>
2	<b>1,515</b>	<b>1,595</b>	<b>1,917</b>	<b>2,435</b>	<b>2,649</b>	<b>3,046</b>	<b>3,444</b>
3	<b>1,414</b>	<b>1,488</b>	<b>1,789</b>	<b>2,272</b>	<b>2,472</b>	<b>2,843</b>	<b>3,214</b>
4	<b>1,313</b>	<b>1,382</b>	<b>1,661</b>	<b>2,110</b>	<b>2,296</b>	<b>2,640</b>	<b>2,985</b>
5	<b>1,212</b>	<b>1,276</b>	<b>1,534</b>	<b>1,948</b>	<b>2,119</b>	<b>2,437</b>	<b>2,755</b>
6	<b>1,111</b>	<b>1,169</b>	<b>1,406</b>	<b>1,785</b>	<b>1,943</b>	<b>2,234</b>	<b>2,525</b>

### How do I Determine the Applicable Tier for My Unit?

To determine the applicable payment standard tier, visit this payment standard map: <https://alcohis.maps.arcgis.com/apps/webappviewer/index.html?id=531501a0fc54461a8a5ff1ac31bada15>. This map can be searched by the unit's census tract number, payment standard tier, payment standard dollar amounts (if the landlord is paying for all utilities), and if the unit is located in an opportunity zone, which is only applicable to those HCV families participating in the HUD Community Choice Demonstration.

# REASONABLE ACCOMMODATIONS VOUCHER PAYMENT STANDARDS (VPS) EFFECTIVE 1/1/2024

Current landlords may qualify for an increased payment standard by offering units with accessible features or modifying existing units to include accessible features.

**Please Note:** The Disability Compliance Office (DCO) evaluates what qualifies as an accessible feature on a case-by-case basis. Features that are specifically tailored to the needs of the individual living in the unit are more likely to count towards the increase in payment standard. Additionally, any features will not be deemed accessible unless they comply with the regulations, guidelines, and parameters set forth by the 2010 Americans with Disabilities Act (ADA) standards, the Uniform Federal Accessibility Standards (UFAS) outlined in the Architectural Barriers Act of 1968, or a combination of both.

Examples of Accessible Features			
Stove with front bearing braille knobs	Tub cut or walk-in shower	Raised toilet or higher toilet seat	Grab bars
Video intercom (for a person who is deaf/hard of hearing or is vision impaired)	Widened hallways	Wheelchair ramp	Limited steps within the unit

*\*This list is not exhaustive; features not listed may be taken into consideration if they are specifically tailored to the individual living in the unit.*

### Required Verification

Proof of accessible or adaptable improvements must be submitted to and verified by the Disability Compliance Office (DCO). Also, prior to the receipt of the Reasonable Accommodations Payment Standard, confirmation that the tenant with the disability needs at least three (3) of the unit's accessible features must be submitted to and verified by the DCO.

**Any additional questions regarding the Reasonable Accommodations Payment Standards can be directed to the Disability Compliance Administrator or Section 504/ADA Compliance Coordinator in the Disability Compliance Office at 412-456-5282 or [ra@hacp.org](mailto:ra@hacp.org).**

**REASONABLE ACCOMMODATIONS  
VOUCHER PAYMENT STANDARDS (VPS)  
EFFECTIVE 1/1/2024**

<b>TIER</b>	<b>EFF</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<b>1</b>	<b>2,747</b>	<b>2,891</b>	<b>3,476</b>	<b>4,415</b>	<b>4,804</b>	<b>5,524</b>	<b>6,245</b>
<b>2</b>	<b>2,424</b>	<b>2,551</b>	<b>3,067</b>	<b>3,895</b>	<b>4,238</b>	<b>4,874</b>	<b>5,510</b>
<b>3</b>	<b>2,121</b>	<b>2,232</b>	<b>2,684</b>	<b>3,408</b>	<b>3,709</b>	<b>4,265</b>	<b>4,821</b>
<b>4</b>	<b>1,838</b>	<b>1,935</b>	<b>2,326</b>	<b>2,954</b>	<b>3,214</b>	<b>3,696</b>	<b>4,178</b>
<b>5</b>	<b>1,576</b>	<b>1,658</b>	<b>1,994</b>	<b>2,532</b>	<b>2,755</b>	<b>3,168</b>	<b>3,581</b>
<b>6</b>	<b>1,333</b>	<b>1,403</b>	<b>1,687</b>	<b>2,142</b>	<b>2,331</b>	<b>2,681</b>	<b>3,030</b>

**How do I Determine the Applicable Tier for My Unit?**

To determine the applicable payment standard tier, visit this payment standard map: <https://alcogis.maps.arcgis.com/apps/webappviewer/index.html?id=531501a0fc54461a8a5ff1ac31bada15>. This map can be searched by the unit address and is linked to the HACP website under Landlord Resources. Search results list the unit’s census tract number, payment standard tier, payment standard dollar amounts (if the landlord is paying for all utilities), and if the unit is located in an opportunity zone, which is only applicable to those HCV families participating in the HUD Community Choice Demonstration.

**Exhibit C. Mixed-Finance Development Proposal and  
Total Development Cost (TDC) workbook  
(See Attached)**

**Note: This is for reference only for RFP respondents.  
Respondents are not required to complete and submit these  
documents in the RFP proposal.**

**MIXED-FINANCE  
DEVELOPMENT PROPOSAL**

**U.S. Department of Housing  
and Urban Development**  
Office of Public and Indian Housing

OMB Approval No. 2577-0275  
(exp. 07/31/2026)

*The public reporting burden for this collection of information is estimated to average 16 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions to reduce this burden, to the Reports Management Officer, Paperwork Reduction Project, Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, DC 20410-3600. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.*

*This collection of information is required for developing a Mixed-Finance rental project pursuant to HUD regulations 24 CFR 905. The information will be used to provide HUD with sufficient information to enable a determination that the proposed housing project is demographically and financially feasible and that HUD statutory and regulatory requirements have been met. No assurances of confidentiality are provided for this information collection.*

Public Housing Authorities (PHAs) must obtain HUD's approval before developing new public housing or undertaking the major modernization of an existing public housing development. Under 24 CFR 905.606, PHAs must submit this Development Proposal to HUD for all types of housing development that will utilize public housing funds, including capital or operating funds, so that HUD can assess the viability and financial feasibility of a proposed development and assure its compliance with public housing regulations. This Development Proposal must also be submitted for development of any public housing or non-public housing units funded through a Choice Neighborhoods grant. If a PHA does not submit a Development Proposal and secure HUD approval, the PHA may have to repay any public housing funds used in conjunction with the project.

The purpose of this document is to provide a template for the Development Proposal's preparation. Information may be typed directly into this form. This template may be used for all types of public housing development. However, it is required to be used for mixed-finance public housing development and for development funded through a Choice Neighborhoods grant. This document may also be used for projects involving the refinancing of existing projects, projects require a Section 30 approval, and other initiatives as needed

This document, along with its attachments, generally includes all information required to be included in a Development Proposal, though HUD reserves the right to request additional information, or to require less information, to carry out its review. In addition, for mixed-finance and Choice Neighborhoods projects, this document identifies additional documentation needed for HUD to complete a Subsidy Layering Analysis for the project, as required under section 102(d) of the HUD Reform Act of 1989.

For non-mixed-finance public housing development, the Development Proposal and all attachments must be submitted to the appropriate HUD Field Office.

For mixed-finance projects, Choice Neighborhoods projects, or other types of projects, the Development Proposal and all attachments must be submitted to the Office of Public Housing Investments at HUD Headquarters. PHAs should work with their assigned HUD Project Manager to prepare the Development Proposal. Submissions must be made well in advance of closing to allow adequate time for review and approval.

**Section 1: Project Information**

PHA: \_\_\_\_\_

Project Name: \_\_\_\_\_

\_\_\_\_\_ (Old Name, if applicable)

PIC Project Number (if applicable): \_\_\_\_\_

PHA Contact Person: \_\_\_\_\_

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

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

MTW Agency? [\_\_\_\_\_] Yes [\_\_\_\_\_] No

Choice Neighborhoods Grant Name: \_\_\_\_\_

Choice Neighborhoods Grant Number: \_\_\_\_\_

HOPE VI Grant Name: \_\_\_\_\_

HOPE VI Grant Number: \_\_\_\_\_

Project Type (check all that apply):

- Choice Neighborhoods
- Conventional Public Housing Development
- HOPE VI
- Main Street
- Mixed-Finance
- Mixed-Finance (Operating Subsidy Only)
- Refinancing
- Section 30
- Other: Please describe: \_\_\_\_\_

## **Section 2: Project Description\***

**\*For mixed-finance projects, information in this Section 2 must also be included in Exhibit B of the project's Mixed-Finance Amendment to the ACC.**

- Provide a project overview, including the following information:
  - Development method (e.g. new construction, rehab, or acquisition)
  - For acquisition and/or rehab projects, a description of the building's age, current ownership, current use (e.g. multifamily, commercial, or institutional) and physical condition
  - Type of housing to be developed (e.g. elevator, walk-up, row house, and/or detached/semi-detached)
  - The number of units to be developed by bedroom-count and unit type (e.g. public housing, LIHTC, PBV or unrestricted) using HUD's Development Proposal Calculator (HUD Form 50156)
  - Non-dwelling space type & size (e.g. community center, maintenance shed)
  - Phasing plan (if this project is part of a larger, multi-phase development)
- Overview of project participants
  - Identification and description of the project's developer
  - Brief discussion of procurement process for the developer (see 24 CFR 905.316)
  - Description of the PHA's role in the project
- Proposed residents to be served (e.g. families, elderly, and/or disabled)
  - Identification of any work requirement or work preference for public housing residents living in the development
- Proposed energy rating for units (e.g. energy star, LEED, another regional or national green building certification or local code)
- Description of unit-based internet connectivity
- Description of anticipated RAD conversion, if applicable
- Other pertinent information

## **Section 3: Site Information**

Provide information on the development site, including the following:

- A physical description of the site
  - Identify any known environmental issues
  - Describe any unusual features that might affect development
- Description of the neighborhood
- Description of the site's proximity to retail, education, social services, transportation, jobs and other amenities
- Site map
- Map of the surrounding neighborhood and city
- Other pertinent information, such as:
  - Any plans to enhance climate resiliency

**Section 4: Key Development Partners and Participating Parties\***

**\*For mixed-finance projects, Section 4 must also be included in Exhibit A to the project's Mixed-Finance Amendment to the ACC.**

Provide the following information for each major partner in the Project:

<b>ROLE</b>	<b>ENTITY NAME &amp; CONTACT INFORMATION (person, phone number &amp; email)</b>	<b>PERCENTAGE INTEREST IN THE PROJECT'S OWNER ENTITY (%)</b>	<b>RELATIONSHIP TO PHA (if any)</b>
Developer			
Ownership Entity			
General Partner or Managing Member of the Owner			
Limited Partner or Investor/Limited Member of the Owner			
Special Limited Partner (if applicable)			
Public Housing Agency, Instrumentality or Affiliate			
Property Manager			
Construction Lender			
Permanent Lender(s)			
General Contractor			
Legal Counsel			

Architect			
Other			
Other			

If a PHA instrumentality or affiliate is involved in the project, provide a description of the relationship between the PHA and the instrumentality/affiliate as it relates to the project (see 24 CFR 905.604(b)):

**Section 5: Project Schedule\***

**\*For mixed-finance projects, Section 5 must also be included in Exhibit D to the project's Mixed-Finance Amendment to the ACC.**

Provide dates (mm/dd/yyyy) for each activity identified below. If a task has not yet been completed, please include a date in the "Anticipated Completion Date" column. If a task is complete, enter a date in the "Actual Completion Date" column.

ACTIVITY	ANTICIPATED COMPLETION DATE	ACTUAL COMPLETION DATE
Demolition Approval from HUD		
Disposition Approval from HUD		
LIHTC Award		
Environment Review Completed (HUD-7015.16 approved)		
HUD Site and Neighborhoods Standards Review Completed		
Relocation Completed		
Financial Closing		
Abatement/Demolition Start		
Abatement/Demolition Completed		
Construction Start		
Construction Completed		
Target Date of Full Availability (DOFA) for Public Housing Units		
LIHTC Placed-in-Service Date		
Lease Up Complete		
Submission of Final Cost Certification		

Other:		
Other:		

**Section 6: Compliance with Multifamily Design and Accessibility Requirements**

The project’s design, including the lay-out of its units, must comply with accessibility requirements specified at 24 CFR 905.312 and 905.604(g) and any other requirements which apply to the specific project. This includes the Uniform Federal Accessibility Standards (UFAS) (through HUD regulations under Part 8) and the Fair Housing Act Design Manual (both the 1996 and 1998 revisions).

PHAs must submit the following architectural plans to HUD:

- Site, Grading and Landscape Plans
- Building Plans, using the scale 1/8" = 1'-0"
- Typical Cross Sections and Exterior Elevations, using the scale 1/4" = 1'-0"
- Unit Plans that show minimum furnishings, using the scale 1/4" = 1'-0"
- Technical Specifications, per Construction Specifications Institute (CSI) format

PHAs and their architects should ensure the following best practices are also reflected on the plans or provided separately:

- Site Plans: Show exterior private<sup>1</sup> spaces adjacent to the unit, including play areas for children of different ages (2-5, 5-12, and teenagers). Play areas for small children should include adequate space for adult supervision and show the location of trees to shade walks. Parking areas and exterior lighting should also be shown.
- Building Plans: Show the location, type, and mix of accessible and visitable units.
- Exterior and Interior Elevations and Building Sections: Identify materials on walls and roof areas.
- Unit Plans: Show livability and furniture layouts reflecting the minimum furnishings needed in the living and dining rooms for the units’ expected family sizes. Furnishings should accommodate residents and guests. The design of the bedrooms should show space for a queen or double bed for two residents, an 18"x 60" dresser, and two nightstands. Spaces within the dwelling unit must provide adequate floor area for furniture and circulation spaces. Accessible units should be able to accommodate wheelchair clearances in kitchens, bathrooms, bedrooms, and living/dining spaces. Provide an accessible route of 36" and a 60" diameter space in the bathroom and bedroom spaces (UFAS 4.3.3 Width. Fig. 3 and 4.34 Dwelling Units, chapter 15c). Townhouses should have a visitable half-bath on the first floor.
- Energy efficiency/green design: Identify the project’s energy efficient and green design features.

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<sup>1</sup> Spaces that are considered private are typically located at the rear of townhouse or apartment units at the first floor or grade level. Balconies and decks are considered private spaces above the first floor. Semi-private spaces are typically located at grade or on the second floor and are accessed by stairs or ramps.

- High-rise structures: Pursuant to 42 U.S.C. 1437d(a), a PHA proposing to develop a high-rise elevator structure that will house families with children must demonstrate to HUD that there is no practical alternative to developing a high-rise building.
- Provide as much storage space as possible: At a minimum, provide an amount of bulk storage commensurate with the size of the unit and the number and ages of its residents. Examples of bulk storage areas include coat closets in entry areas, linen closets, a utility closet, pantry spaces, and exterior storage on balconies and at grade at the rear of units.
- Technical Specifications: Include all applicable divisions, per CSI format.

Plans for mixed-finance projects will be reviewed by a HUD architect. Before submitting plans (including a half size set of construction drawings and specifications), the PHA should consult with the HUD Project Manager to determine where the plans should be sent and in what format.

### **Section 7: Project Costs**

Provide the following information regarding project costs and financing by filling out HUD's Development Proposal Calculator (HUD Form 50156):

#### **A. Project Budget\***

**\*\*For mixed-finance projects, the construction and permanent project budgets must be included in Exhibit F of the project's Mixed-Finance Amendment to the ACC.**

- Provide a construction period project budget reflecting all sources and uses of funds used during project construction using the Construction Budget Tab of the Development Proposal Calculator.
- Provide a permanent project budget reflecting all sources and uses of funds following construction completion using the Permanent Budget Tab of the Development Proposal Calculator.
- Provide a construction draw schedule that shows the projected sources and uses of funds on a monthly basis throughout the construction period using the Draw Schedule Tab of the Development Proposal Calculator.

#### **B. Compliance with Total Development Cost (TDC) and Housing Construction Cost (HCC) Limits**

- Projects must comply with HUD TDC and HCC limits for the development of public housing units, pursuant to 24 CFR 905.314. Provide a calculation of TDC and HCC limits for the project using the TDC and HCC Tab of the Development Proposal Calculator. For projects in which Choice Neighborhoods are being used to build non-public housing units, the project's HUD TDC and HCC limits will be based on the number of units that will be subject to a HUD use restriction.

**C. Pro Rata Test**

- The proportion of public housing funds to total project funds may not exceed the proportion of public housing units to the total number of units. For example: if there are 100 units and 40 are public housing, the amount of public housing funds committed to the project cannot exceed 40% of the total project budget.
- NOTE: the pro rata test applies only to those project costs shown in “Part A” of permanent project budget in the Development Proposal Calculator. “Part B” costs, which are generally costs incurred by the PHA, are not included.
- Provide the following information:

Type	Number/Amount	Percent of Total
Public Housing Units/ Replacement Housing Units		
Non-Public Housing Units		
<b>Total Housing Units</b>		<b>100%</b>
Public Housing Funds		
Non-Public Housing Funds		
<b>Total Funds</b>		<b>100%</b>

**D. Construction Cost Estimate**

- Submit an independent construction cost estimate (with a cover letter and summary page showing costs broken down by major trades) or the actual construction contract which supports the permanent and construction budgets provided above.

**E. Limitation on the Cost of New Construction**

- Pursuant to 24 CFR 905.602(b)(2), a PHA may not construct new public housing unless the cost of construction is less than the cost of acquiring existing units (with or without rehab.)
- For projects involving new construction, provide the following:
  - 1) Documentation which shows the construction cost of the new project is less than the cost to acquire (and rehab as necessary) similar units in the same neighborhood that would serve the same purpose as the new housing; or,
  - 2) Documentation which shows there is insufficient housing to acquire in the neighborhood that would serve the same purpose as the new housing.

**F. Predevelopment Costs**

- Pursuant to 24 CFR 905.612(a)(2), use of public housing funds for predevelopment expenses related to mixed-finance projects must be approved by HUD prior to expenditure. PHAs should submit requests to HUD prior to expenditure of funds for predevelopment activities.
- The percentage of predevelopment costs borne by the PHA should be in compliance with HUD's "Cost Control and Safe Harbor Standards for Mixed-Finance Development (April 2003) (Safe Harbor Standards)." Provide the following Information:

Total Predevelopment Costs: \$ \_\_\_\_\_

Amount paid by the PHA: \$ \_\_\_\_\_ %

Amount paid by the Developer: \$ \_\_\_\_\_ %

- Provide a justification if the Safe Harbor Standard was exceeded:

**Section 8: Project Financing**

**A. Project Financing**

- Please fill out the chart below with information for each source of construction and permanent financing (including public housing funds, other public funds, and private funds) included in the project's budgets:

Name of Provider	Amount	Use of Funds	Grant Type and Number (if HUD PH funds)	Type of financing (i.e. construction loan, permanent loan, equity, grant)	Financing Terms (including term and interest rate) and other relevant information

**B. Federal Low Income Housing Tax Credits (LIHTC)**

- For projects that include LIHTC, provide the following information:

Total Tax Credit Allocation Over 10 Years	\$
Total Equity Commitment	\$
Equity Per Dollar of Allocation (Equity divided by Allocation)	\$
Type of Tax Credits	9% <input type="checkbox"/> or 4% <input type="checkbox"/>

Pay in Schedule for Investor Equity		
Milestone	Projected Date (MM/DD/YYYY)	Amount
TOTAL AMOUNT OF EQUITY		\$

- Describe the proposed exit strategy for the Investor at the end of the 15-year LIHTC compliance period, including the PHA’s anticipated role, the continued preservation of affordable units, and how any exit taxes will be paid.

**C. Other Tax Credits**

- For projects that include other types of tax credits (such as state LIHTC, federal and state historic preservation or new market tax credits), provide the following:

Type of Tax Credit	Amount of Equity

**D. Existing Financing**

Identify any existing financing on the project, such as funds provided through a Capital Fund Financing Program (CFFP) transaction or an Energy Performance Contract (EPC).

- Identify the amount of funding
- Describe how the debt will be addressed as part of the new project
- Provide evidence of approval

**E. Reserve Accounts**

**For mixed-finance projects, Section 8 must also be included in Exhibit B to the project's Mixed-Finance Amendment to the ACC.**

Public housing funds may be contributed towards reserve accounts, subject to the following limitations:

- Public housing funds may not be used to initially fund reserve accounts, with the exception of the establishment of an Initial Operating Subsidy Reserve for public housing units only.
- Public Housing Operating Subsidy and public housing tenant rents may be used to replenish reserve accounts **only if** they are replacing funds which have been disbursed for allowable public housing expenses.
- Public Housing Operating Subsidy and public housing tenant rents may be used to fund the Replacement Reserve, but only in an amount proportionate to the number of public housing units.
- No public housing funds can be used to fund an Exit Tax Reserve. This includes Public Housing Operating Subsidy and public housing tenant rents.
- Public housing funds in all reserve accounts must be tracked separately.
- Public housing funds in all reserve accounts must remain with the project if it is sold or transferred or they must be returned to the PHA.
- Reserve accounts must be described in detail in the Regulatory and Operating Agreement between the PHA and the Owner Entity.

Submit the following information for each Reserve Account included in the project:

1) Initial Operating Period/Lease-Up Reserve (public housing only): \$ \_\_\_\_\_

Identify source of funds to establish reserve account	
Identify source of funds to replenish reserve account	
Briefly describe when funds may be drawn down	
Identify which entity owns the reserve account	

2) Operating Subsidy Reserve (public housing only): \$ \_\_\_\_\_

Identify source of funds to establish reserve account	
Identify source of funds to replenish reserve account	
Briefly describe when funds may be drawn down	
Identify which entity owns the reserve account	

3) Operating Deficit Reserve: \$ \_\_\_\_\_

What type of units does this cover (all, only PH, or only non-PH)?	
Identify source of funds to establish the reserve account	
Identify source of funds to replenish reserve account	
Briefly describe when funds can be drawn down	
Identify which entity owns the reserve account	

4) Replacement Reserve: \$ \_\_\_\_\_ per unit per year

What type of units does this cover (all, only-PH, or only non-PH)?	
Identify source of funds to establish reserve account	
Identify source of funds to replenish reserve account	
Briefly describe when funds can be drawn down	
Identify which entity owns the reserve account	

5) Other: \_\_\_\_\_

What type of units does this cover (all, only-PH or only non-PH)?	
Identify source of funds to establish reserve account	
Identify source of funds to replenish reserve account	
Briefly describe when funds can be drawn down	
Identify which entity owns the reserve account	

**Section 9: Project Fees**

[HUD's Cost Control and Safe Harbor Standards](#) provide guidance for certain fees and costs related to development. Projects must comply with these Safe Harbor Standards or provide justification for non-compliance. Projects that include Project-Based Vouchers must also comply with HUD's "[Administrative Guidelines: Subsidy Layering Review for Project-Based Vouchers](#)," a notice issued on February 28, 2020.

**A. Calculation and Pay Out of Developer Fee**

- The amount of the Developer Fee must be in accordance with the Safe Harbor Standards. Complete the Fees & Pro Rata Tab of the Development Proposal Calculator to accurately calculate the Developer Fee.
- Total Amount of Developer Fee: \$ \_\_\_\_\_ = \_\_\_\_\_ % of project costs
- Amount of Fee Paid to Developer: \$ \_\_\_\_\_ = \_\_\_\_\_ % of project costs
- Amount of Fee Paid to PHA: \$ \_\_\_\_\_ = \_\_\_\_\_ % of project costs
- If the Developer Fee exceeds the Safe Harbor Standards, provide a justification, based on the criteria in the Safe Harbor Standards.

[Justification:]

- What is the pay-out schedule for the Developer Fee? Identify the milestone, such as closing or 50% construction completion, and the percent of the fee to be paid at each milestone.

Milestone	% of Developer Fee Paid

- If the Developer Fee pay-out schedule exceeds the Safe Harbor Standards, provide a justification.

[Justification: ]

- If the PHA is providing a loan to the developer to cover developer overhead prior to financial closing, provide a description and justification. HUD approval is required prior to payment of any part of the developer fee.

[Description and Justification: ]

- Is the developer receiving any compensation separate from the Developer Fee, i.e., for activities including master planning, relocation and/or demolition? If so, identify below:

TASK	COMPENSATION

**B. Contractor Fees**

- The fee paid to the construction contractor must be in accordance with the Safe Harbor Standards. Complete the form in Fees & Pro Rata Tab of the Development Proposal Calculator to accurately calculate the Contractor Fee.

Contractor Fee	Amount	% of Hard Construction Costs
Profit		
Overhead		
General Conditions + Performance Bond		
<b>TOTAL</b>		

- If the total amount of the Contractor Fee exceeds the Safe Harbor Standards, provide a justification.

[Justification: ]

- Provide a written explanation of how construction savings (if any) will be allocated among the development parties. NOTE: per the Safe Harbor Standards, developers can only receive an amount equal to an additional 1% of the developer fee.

[Explanation: ]

**C. Identity of Interest**

- If there is an identity of interest between the Developer and the contractor or builder, i.e., a financial relationship between the two parties, the Developer may award the construction contract to the related contractor or builder only if it has met one of the following requirements prior to HUD approval of the Development Proposal. Check the appropriate box and attach the required information:

24 CFR 905.604(i)(1): There has been a bidding procedure and the related contractor's bid was the lowest bid received. Provide documentation on the bidding process and bids received.

24 CFR 905.604(i)(2): There is an independent third-party cost estimate that shows the related contractor's price to be at or below the cost estimate. Provide a copy of the cost estimate and the related contractor's cost or construction contract.

**D. Property Management Fees**

- The fee paid to the Property Manager must be in accordance with Safe Harbor Standards and must be described fully in the Management Agreement, which will be reviewed by HUD as part of its review of evidentiary materials.

- Identify the Property Manager:

- Is the Property Manager a:
  - PHA
  - PHA Instrumentality/Affiliate
  - Private Company
  - Private Company but affiliated with the Developer/Owner
  - PHA/Private Joint Venture
  - Other (explain)

- Describe how the Property Management Fee will be calculated:

Description:

- If the Property Management Fee exceeds the Safe Harbor Standards, provide a justification.

Justification:

- Identify any additional fees paid to the Property Manager (such as an incentive management fee or lease-up fee). Indicate the amount or the fee and/or how the fee is calculated or earned.

Fee Description	Fee Amount/Calculation

--	--

**E. Fees or Income Paid to the PHA\***

**\*For mixed-finance projects, information included in Paragraph D of Section 9 should also be included in Exhibit H of the project’s Mixed-Finance Amendment to the ACC.**

- Payments received by the PHA, such as developer fees or loan repayments, are generally referred to as program income. The PHA’s use of program income is often restricted, depending upon the source of public housing funds contributed to the project.
- NOTE: Disposition proceeds that a PHA receives at closing are not program income and should not be listed below. Instead, these disposition proceeds must be used in accordance with the HUD Special Applications Center’s approval letter and applicable notices and regulations.
- Identify any fees or income to be paid to the PHA or its instrumentality/affiliate and the proposed use of the funds:

Source of Income	Amount	Use
Developer Fee		
Loan Repayment (if fixed)		
Bridge Loan Interest		
Potential Loan Repayments from Cash Flow		
Other:		
Other:		
Other:		

**Section 10: Operating Pro Forma**

To allow HUD to review the financial feasibility of the project, provide the following:

A. Provide a 15-year operating pro forma, including assumptions, using the pro forma included in the Development Proposal Calculator (HUD Form 50156).

- Show all income and expenses, debt service, and distribution of cash flow (cash flow waterfall) on the pro forma.
- For the public housing units, show below how the amount of public housing operating subsidy shown on the pro forma was calculated. Identify the projected PEL, UEL, add-ons, tenant rents, pro-ration, etc. Include assumptions made. Discuss what information was used to inform your numbers and assumptions.

Methodology Discussion: [     ]

- Will all the Operating Subsidy received by the PHA from HUD be transferred to the Owner Entity? If not, describe how the amount transferred to the Owner Entity will be

determined, e.g., a percent of the subsidy, the actual gap between income and expenses, a negotiated amount, etc.

Description: [ ]

- NOTE: For mixed-finance projects, detailed information regarding payment of Operating Subsidy should be contained in the Regulatory and Operating Agreement and will be reviewed by HUD as part of its review of evidentiary documents.

B. Indicate, below, the waterfall or order of distribution of Net Operating Income, identifying all payments for debt service, fees, reserves, loans, and excess cash flow.

Distribution: [ ]

### **Section 11: Local Cooperation Agreement**

Attach the following to the Development Proposal:

- A copy of the Cooperation Agreement with the local jurisdiction covering the public housing units; or,
- For mixed-finance projects only, if public housing units are to be subjected to local real estate taxes, provide documentation/certification from an authorized official of the local jurisdiction that the project is consistent with the jurisdiction's Comprehensive Plan.

### **Section 12: Environmental Review Process and Documentation**

This project is subject to the environmental regulations found at 24 CFR part 58 or, if approved by HUD, 24 CFR part 50. The PHA must comply with all environmental review requirements, as required, including 24 CFR 905.602(f), prior to approval of the Development Proposal.

- Provide a brief narrative on the status of the environmental review process:

Status: [ ]

- Provide a brief narrative on the status of the "Section 106" (historic preservation) review process.

Status: [ ]

Upon completion of the environmental review process, provide the following documentation:

- Evidence from the HUD Field Office that the project has been approved in HEROS (part 50)
- Form HUD-7015.15, Request for Release of Funds and Certification (part 58 only)
- Form HUD-7015.16, Authority to Use Grant Funds (part 58 only)

NOTE: HUD environmental approvals are only valid for five years. If a project is part of a multi-phase housing development, the PHA must ensure that the project described in this development proposal is covered by a valid environmental review.

**Section 13: Market Analysis**

For projects that include the development of non-public housing units, provide the following, which should support the proposed development of non-public housing units:

- Attach the Executive Summary of the market analysis for the project.

**Section 14: Other Requirements**

As applicable, provide the following information:

**A. PHA Annual Plan/MTW Plan & Capital Fund Action Plan or MTW Plan:** The project must be included in the PHA's Annual Plan or MTW Plan and the Capital Fund Program 5-Year Action Plan. Discuss the status of the plan approval processes.

NOTE: For RAD, the conversion must be included as a significant amendment to the Annual Plan/MTW Plan and approved by the HUD, unless included in the original Plan. A copy of the HUD approval letter must be submitted prior to closing. In addition, for Initial MTW PHAs, an approved RAD amendment to Attachment A of the MTW Agreement may also be required.

Status: | |

**B. Faircloth Limits:** Development of the project cannot result in an increase in the number of public housing units owned, assisted or operated by the PHA on October 1, 1999, as required by 24 CFR 905.602(b). Provide the following:

# public housing units Oct 1, 1999	
# public housing units (in PIC) today	
# net new public housing units created by project	
TOTAL public housing units after project completion	

**C. Site and Neighborhood Standards:** The project must be reviewed and approved by the HUD Field Office for compliance with Site and Neighborhood Standards, including those contained in 24 CFR 905.602(d), prior to approval of the Development Proposal. Provide a brief update on the status of this approval process. Please note that when a development is part of a multi-phase redevelopment, each phase must be reviewed by the HUD Field Office.

NOTE: Site and Neighborhood Standards do not apply to HOPE VI and Choice Neighborhoods projects. Projects must comply with provisions of the Grant Agreement.

Status: | |

**D) Relocation:** Relocation activities, if any, must meet the requirements of 24 CFR 905.308(b)(9) or as provided in a HOPE VI or Choice Neighborhoods Grant Agreement. Provide a brief status on relocation activities, including information on when residents were relocated and a description of the relocation counseling provided.

Status: [ ]

**E) Resident Consultation:** The PHA must consult with affected public housing residents prior to submission of the Development Proposal to solicit resident input into the development of the project, as required by 905.600(c)(2) or as provided in a HOPE VI or Choice Neighborhoods Grant Agreement. Provide a brief description of how residents were consulted.

Description: [ ]

**F) Acquisition of New Units:** If the project involves acquisition of units that are less than 2 years old, the project must not have been constructed with the intention of selling it to the PHA unless all applicable Federal requirements were met, as required by 24 CFR 905.600(b)(3). If applicable, provide a brief discussion of compliance with this provision.

Discussion: [ ]

**G) Vouchers:** If the project includes Project-Based Housing Choice Vouchers (PBVs), HUD's Office of Public Housing Investments will conduct a subsidy layering review, in accordance with HUD's ["Administrative Guidelines: Subsidy Layering Review for Project-Based Vouchers,"](#) a notice issued on February 28, 2020. To facilitate this review, submit the PHA's PBV award letter and its rent reasonableness letter to its OPHI project manager.

Status: [ ]

**H) Designated Housing:** If the project includes Designated Housing, the PHA must include the project in its Designated Housing Plan, which must have been approved by HUD prior to approval of the Development Proposal. If applicable, provide a brief update on the status of the Designated Housing Plan's approval.

Status: [ ]

**I) Demolition/Disposition:** If the project includes demolition of existing public housing units and/or disposition (sale or lease) of public housing property, a separate approval must be received from the HUD Special Applications Center. If applicable, provide a brief status on the receipt of these approvals.

NOTE: Choice Neighborhoods projects follow program specific guidance related to demolition approval.

Status: [ ]

**Section 15: Submission and Approval of Draft Evidentiary Documents for Mixed-Finance Projects**

For mixed-finance projects and Choice Neighborhoods projects only, the following documents must be submitted in draft form to HUD for review and approval prior to HUD approval of the Development Proposal and prior to execution of the evidentiary documents, unless otherwise approved by HUD.

NOTE: Submission of these documents may be made separately after submission of the other elements of the Development Proposal.

A. Mixed-Finance Amendment to the ACC (HUD Model Document)

NOTE: For Choice Neighborhoods projects, this document is only required for projects that include development of public housing units.

B. HUD Declaration of Restrictive Covenants and Partial Release of the existing Declaration of Trust, if applicable (HUD Model Documents).

NOTE: Choice Neighborhoods uses a program specific DORC which can be found on the Choice Neighborhoods website.

C. Regulatory and Operating Agreement between the PHA and the owner entity

NOTE: For Choice Neighborhoods projects, this document is only required for projects that include development of public housing units.

D. Ground Lease and Memorandum of Ground Lease between the PHA and the owner entity

E. Legal Opinion from PHA counsel (HUD Model Document)

F. Updated Development Proposal and Development Proposal Calculator, reflecting any changes in the project since the original submission

G. HUD Certifications and Assurances (form HUD-50161)

NOTE: Choice Neighborhoods projects must submit the model Choice Neighborhoods Certifications and Assurances.

H. Title Policy (pro forma submitted prior to closing and final policy submitted after closing showing HUD Declaration of Restrictive Covenant recorded in the order approved by HUD (reviewed by the HUD Field Office)

I. ALTA Survey (reviewed by the HUD Field Office)

J. Management Plan, Management Agreement, and sample Tenant Lease (reviewed by the HUD Field Office)

NOTE: For Choice Neighborhoods projects, this document is only required for projects that include development of public housing units.

K. Other documents as may be required by HUD

Upon completion of HUD's review of the Development Proposal and the draft evidentiary documents listed above, HUD will issue a letter to the PHA which will approve the Development Proposal and the draft evidentiary documents and authorize the PHA to proceed with financial closing. However, no public housing funds may be expended by the PHA until the final, executed evidentiary documents have been submitted to and approved by HUD.

**Section 16: Submission and Approval of Final Evidentiary Documents for Mixed-Finance Projects**

For mixed-finance projects, after financial closing the PHA must submit the following information to HUD for approval:

A. Copies of all executed and recorded evidentiary documents previously submitted and approved by HUD in draft form. These documents may be submitted electronically or via zip drive. Each document should be transmitted as a discrete file, and all documents must be indexed to allow for uncomplicated retrieval.

B. HUD opinion of counsel (HUD Model Document)

C. Certification from PHA counsel attesting that no significant changes have been made to the evidentiary documents previously submitted to and approved by HUD in draft form, or if changes have been made, a list of all changes

D. The final title insurance policy that reflects the recordation of all liens, mortgages, and encumbrances against the property in the order approved by HUD.

HUD will issue a final letter to the PHA which approves the executed evidentiary documents and authorizes expenditure of the public housing funds committed to the project.

**Section 17: Cost Certification**

Within one year of project completion, the PHA must submit to the Field Office the Actual Development Cost Certificate (Form HUD-52427) or Development Cost Budget/Cost Statement (HUD -52484) or another form or format as specified by the Field Office.

**Section 18: Attachments & Additional Submissions to the Development Proposal**

- Attachment 1: Site Map
- Attachment 2: Neighborhood/City Map
- Attachment 3: Architectural Plans
- Attachment 4: Construction Draw Schedule
- Attachment 5: Independent Construction Cost Estimate
- Attachment 6: Documentation on Limitation on Cost of New Construction
- Attachment 7: Documentation on Identify of Interest (if applicable)

Attachment 8: Cooperation Agreement or Documentation of Consistency with  
Comprehensive Plan

Attachment 9: Environmental Compliance Documentation

Attachment 10: Market Analysis Executive Summary

Attachment 11: Draft Evidentiary Documents (may be submitted after other elements of  
the Development Proposal, but prior to HUD approval)

Attachment 12: Final Evidentiary Documents (submitted after financial closing)

Public reporting burden for this collection of information is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions to reduce this burden, to the Reports Management Officer, Paperwork Reduction Project, Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, DC 20410-3600. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This collection of information is required for developing a Mixed-Finance rental project pursuant to HUD regulations 24 CFR 905. The information will be used to provide HUD with sufficient information to enable a determination that the proposed housing project is demographically and financially feasible and that HUD statutory and regulatory requirements have been met. No assurances of confidentiality are provided for this information collection.

This workbook uses the TDCs and HCCs in accordance with HUD Notice PIH-2011-38 (HA), as updated to include HUD's most recent TDC and HCC limits, which can be found on the Capital Fund Program website.

**FOR THOSE FAMILIAR WITH THE INSTRUCTIONS:  
START ON THE NEXT TAB AND CONTINUE TO MOVE RIGHT THROUGH THE TABS**

## Instructions: TDC & HCC Limit Calculation Worksheets

**Tips:** **Enter information in cells with blue borders, text or numbers on screen.**  
Except for the Pro Forma and Draw Schedule, other cells are locked, and all calculations are automated.  
Print these Instructions for easy reference, then begin at **Step 1**.

Note: To navigate among the worksheets, click the individual worksheet tabs at the bottom of this window. If no worksheet tabs are visible, select "Options..." from the "Tools" menu. In the dialogue box, select the "View" tab. Under "Window options" put a check mark in the "Sheet tabs" box.

### Step 1. State Basic Information and Unit Mix

> Enter the PHA Name, Development Name, and Phase Number or Description (on the "Unit Mix" worksheet)

### Step 2. Enter the Number of Units of Each Type and Size (on the "Unit Mix" worksheet)

- > Select the appropriate column(s) for the proposed units based on tenure type (Rental or Homeownership, PH or Non-PH), and development method.
- Rent-to-Own units are to be counted initially as Rental Units.
  - Possible development methods are Rehabilitation (of existing public housing only), New Construction, or Acquisition (with or without rehab).
- > Enter the number of units proposed, by Structure Type, in the appropriate row based on the Number of Bedrooms.
- TDC limit applies to development of public housing units under an Annual Contributions Contract (ACC) using Public Housing Capital Assistance

- **Public Housing Capital Assistance** (PHCA) includes the following development sources (and borrowed funds to be repaid from these sources):
  - HOPE VI and Choice Neighborhoods grant funds;
  - Public housing Capital Fund and Public Housing Development assistance provided under sections 9 and 5 of the 1937 Housing Act; and
  - Public Housing Operating Fund assistance provided under section 9 of the 1937 Housing Act that is used for development.

- The TDC limit for Modernization of existing public housing is 90% of the published TDC limit for a given structure and unit type.
- The HCC limit is applicable only to New Construction units (not applicable to Rehabilitation of existing public housing, or to Acquisition units).  
The "TDC & HCC Limit calculations" worksheet reflects all such applicability as described above.
- **Definitions of Structure Types** specified on the Unit Mix worksheet:
  - Detached: A structure that consists of a single living unit surrounded by permanent open space on all sides.
  - Semi-detached: A structure containing two living units separated by a common vertical wall.
  - Elevator: Any structure of four or more stories above ground in which an elevator is provided.
  - Row House: A structure containing three or more living units separated only by vertical walls.
  - Walk-up: A multi-level low-rise structure containing two or more living units, in which any units are separated by any common ceiling/floor.

**Step 3. Enter Number of Tax Credit, Market-Rate Rental, and Market-Rate For-Sale Units** (for reference only; not used in TDC calculation)

**Step 4. Enter Number of Special-Needs Units, and Describe Accessibility Design Features** (for reference only; not used in TDC calculation)

**Step 5. Select Location**

- > Make the appropriate selections from the menu lists provided there.
- > Follow the Note boxes on that worksheet

**Step 6. TDC & HCC Calculations**

**Step 7. Enter Demolition & Replacement Units (total, all project phases)** (on "TDC & HCC Limit calculations" worksheet)

- > Enter the number of public housing units to be demolished (or eliminated by conversion) for all phases of the project.
- > Enter the total number of replacement units to be built back on the original public housing site(s) in all phases of the project.
  - Include only on-site, new-construction replacement rental public housing units and, and ownership units developed with Public Housing Capital Assistance (see Step 3, above for a definition of Public Housing Capital Assistance).

**Step 8. Enter All Sources of Public Housing Capital Assistance**

- > Include: Public Housing Capital Assistance used for development, and borrowed funds secured by repayment with Public Housing Capital Assistance.
- > Do not include: sources other than Public Housing Capital Assistance (e.g., HOME and CDBG), or any non-HUD funding sources.

**Step 9. Enter All Uses of Public Housing Capital Assistance**

- Use the budget line items provided. These track HUD Notice PIH 2003-8, For example:
  - BLI 1440: Site Acquisition costs are all expenses of acquiring sites (only sites that do not include structures to be retained for housing).
  - BLI 1450: Site Improvement includes streets and public improvements, and site improvements other than on-site utilities & finish landscaping.
- Dwelling Structure costs must be categorized as Rehabilitation, New Construction, or Acquisition:
  - BLI 1460: "Dwelling Structures, Rehabilitation" includes only those "hard" (construction) costs of rehabilitating existing public housing units.
  - BLI 1460: "Dwelling Structures, New Construction" includes only hard costs for the building, utilities from the street and finish landscaping.
  - BLI 1460: "Dwelling Structures, Acquisition" includes all acquisition costs for existing housing units, including the site and associated rehab.

**Step 10. Confirm that Sources are Equal to Uses**

- > Confirm that all Grant Funds and Public Housing Capital Assistance (GFPH) sources are included.
- > Confirm that sources of GFPH are equal to uses of GFPH

**Step 11. Enter any Extraordinary Site Cost** (a component of Additional Project Costs -- not subject to TDC limit)

- > Enter any Extraordinary Site Cost in the cell provided. This may be some or all of the funds entered in BLI 1450 (**Step 8**).
  - Extraordinary Site Costs must be verified by an independent registered engineer and approved by HUD.

**Step 12. Review TDC and HCC Limit Calculation Results**

- > Review the results of the TDC and HCC limit calculations, and print the worksheet.
  - The TDC and HCC limit analysis results are shown on the lower right of the "TDC & HCC Limit calculations" worksheet.
  - All worksheets are pre-formatted for printing. To print the current worksheet or all worksheets, select "Print..." from the "File" menu.
  - Direct project questions to the Project Manager at the HUD Office of Public Housing Investments.

**Disclaimer:** This workbook does not replace applicable statutes, regulations, notices or other HUD guidance.

**Step 5. Using the Drop-down Lists Provided Below, Select the City (or Region) and State where the PROJECT will be located**

Note that this worksheet cannot be protected. Please take care to enter information into the blue bordered cells only.

City	DETROIT	<-- Select your City from list here
StateName	MICHIGAN	<-- Select your State from list here

Type	Data	Total
Detached/Semi-Detached	Sum of 0 Bedrooms, TDC	\$207,662.04
	Sum of 1 Bedrooms, TDC	\$269,308.14
	Sum of 2 Bedrooms, TDC	\$321,773.34
	Sum of 3 Bedrooms, TDC	\$383,431.63
	Sum of 4 Bedrooms, TDC	\$451,225.32
	Sum of 5 Bedrooms, TDC	\$494,727.24
	Sum of 6 Bedrooms, TDC	\$536,765.90
	Sum of 0 Bedrooms, HCC	\$118,664.02
	Sum of 1 Bedrooms, HCC	\$153,890.37
	Sum of 2 Bedrooms, HCC	\$183,870.48
	Sum of 3 Bedrooms, HCC	\$219,103.79
	Sum of 4 Bedrooms, HCC	\$257,843.04
	Sum of 5 Bedrooms, HCC	\$282,701.28
	Sum of 6 Bedrooms, HCC	\$306,723.37
Elevator	Sum of 0 Bedrooms, TDC	\$153,145.92
	Sum of 1 Bedrooms, TDC	\$214,404.29
	Sum of 2 Bedrooms, TDC	\$275,662.66
	Sum of 3 Bedrooms, TDC	\$367,550.21
	Sum of 4 Bedrooms, TDC	\$459,437.77
	Sum of 5 Bedrooms, TDC	\$520,696.13
	Sum of 6 Bedrooms, TDC	\$581,954.50
	Sum of 0 Bedrooms, HCC	\$95,716.20
	Sum of 1 Bedrooms, HCC	\$134,002.68
	Sum of 2 Bedrooms, HCC	\$172,289.16
	Sum of 3 Bedrooms, HCC	\$229,718.88
	Sum of 4 Bedrooms, HCC	\$287,148.60
	Sum of 5 Bedrooms, HCC	\$325,435.08
	Sum of 6 Bedrooms, HCC	\$363,721.56
Row House	Sum of 0 Bedrooms, TDC	\$163,463.45
	Sum of 1 Bedrooms, TDC	\$214,006.55
	Sum of 2 Bedrooms, TDC	\$259,126.73
	Sum of 3 Bedrooms, TDC	\$316,807.99
	Sum of 4 Bedrooms, TDC	\$375,700.12
	Sum of 5 Bedrooms, TDC	\$413,931.45
	Sum of 6 Bedrooms, TDC	\$449,640.10
	Sum of 0 Bedrooms, HCC	\$93,407.69
	Sum of 1 Bedrooms, HCC	\$122,289.46
	Sum of 2 Bedrooms, HCC	\$148,072.42
	Sum of 3 Bedrooms, HCC	\$181,033.14
	Sum of 4 Bedrooms, HCC	\$214,685.78
	Sum of 5 Bedrooms, HCC	\$236,532.26
	Sum of 6 Bedrooms, HCC	\$256,937.20
Walkup	Sum of 0 Bedrooms, TDC	\$156,452.51
	Sum of 1 Bedrooms, TDC	\$213,402.23
	Sum of 2 Bedrooms, TDC	\$270,269.81
	Sum of 3 Bedrooms, TDC	\$356,280.74
	Sum of 4 Bedrooms, TDC	\$441,526.87
	Sum of 5 Bedrooms, TDC	\$497,507.82
	Sum of 6 Bedrooms, TDC	\$552,808.95
	Sum of 0 Bedrooms, HCC	\$89,401.43
	Sum of 1 Bedrooms, HCC	\$121,944.13
	Sum of 2 Bedrooms, HCC	\$154,439.89
	Sum of 3 Bedrooms, HCC	\$203,589.00
	Sum of 4 Bedrooms, HCC	\$252,301.07
	Sum of 5 Bedrooms, HCC	\$284,290.19
	Sum of 6 Bedrooms, HCC	\$315,890.83

This workbook uses the TDCs and HCCs in accordance with HUD Notice PIH-2011-38 (HA), as updated to include HUD's most recent TDC and HCC limits, which can be found on the Capital Fund Program website.

**Note 1:** When you select a valid City/State combination, this table will show the TDC and HCC limits from the above-referenced HUD Notice. Use the TDC and HCC limits in effect at the time of project closing.

**Note 2:** If the desired City/State combination is not included in the list here, contact the local HUD Field Office. They will assist in determining the most appropriate City/State combination.

**Note 3:** Total Development Cost limits and Housing Construction Cost limits from this table will be transferred automatically to the "TDC & HCC Limit calculations" worksheet.

(There is no need to print this worksheet)



**Total Development Cost (TDC) Limit and Housing Construction Cost (HCC) Limit Calculations**

DEVELOPMENT NAME AND PHASE: **Sample Mixed-Finance Development or Sample Phase**

**This workbook uses the TDCs and HCCs in accordance with HUD Notice PIH-2011-38 (HA), as updated to include HUD's most recent TDC and HCC limits, which can be found on the Capital Fund Program website.**

[Capital Fund Program website](#) for DETROIT, MICHIGAN

Step 3. Unit Mix (Note: enter info on the "Unit Mix" worksheet)					HCC Limits		TDC Limits	
Structure Type	BRs	Rehab of Existing Pub. Hsg.	New Const.	Acq. with or w/o Rehab	(new const. only)	(new const. only)	Per Unit	Phase Totals
					Per Unit	Phase Totals		
Detached/Semi-Detached	1	-	-	-	\$ 153,890	\$ -	\$ 269,308	\$ -
	2	-	-	-	\$ 183,870	\$ -	\$ 321,773	\$ -
	3	-	-	-	\$ 219,104	\$ -	\$ 383,432	\$ -
	4	-	-	-	\$ 257,843	\$ -	\$ 451,225	\$ -
	5	-	-	-	\$ 282,701	\$ -	\$ 494,727	\$ -
	6	-	-	-	\$ 306,723	\$ -	\$ 536,766	\$ -
Row House	1	-	-	-	\$ 122,289	\$ -	\$ 214,007	\$ -
	2	-	-	-	\$ 148,072	\$ -	\$ 259,127	\$ -
	3	-	-	-	\$ 181,033	\$ -	\$ 316,808	\$ -
	4	-	-	-	\$ 214,686	\$ -	\$ 375,700	\$ -
	5	-	-	-	\$ 236,532	\$ -	\$ 413,931	\$ -
	6	-	-	-	\$ 256,937	\$ -	\$ 449,640	\$ -
Walkup	0	-	-	-	\$ 89,401	\$ -	\$ 156,453	\$ -
	1	-	-	-	\$ 121,944	\$ -	\$ 213,402	\$ -
	2	-	-	-	\$ 154,440	\$ -	\$ 270,270	\$ -
	3	-	-	-	\$ 203,589	\$ -	\$ 356,281	\$ -
	4	-	-	-	\$ 252,301	\$ -	\$ 441,527	\$ -
	5	-	-	-	\$ 284,290	\$ -	\$ 497,508	\$ -
Elevator	0	-	-	-	\$ 95,716	\$ -	\$ 153,146	\$ -
	1	-	-	-	\$ 134,003	\$ -	\$ 214,404	\$ -
	2	-	-	-	\$ 172,289	\$ -	\$ 275,663	\$ -
	3	-	-	-	\$ 229,719	\$ -	\$ 367,550	\$ -
	4	-	-	-	\$ 287,149	\$ -	\$ 459,438	\$ -
	5	-	-	-	\$ 325,435	\$ -	\$ 520,696	\$ -
	6	-	-	-	\$ 363,722	\$ -	\$ 581,955	\$ -
						\$ -	\$ -	\$ -

**Step 7. Enter Demo & Replacement Units (total, all phases)**

Number of public housing units to be demolished or lost to conversion (total, all phases)  (This portion of demolition cost is excluded from TDC limit)

(Minus) the number of replacement PH units to be built back on the original site (total, all phases)  % of units:

Equals PH units demolished and not replaced on the original PH site (total, all phases)

**Step 8. Enter all Sources of Public Housing Capital Assistance**

PH Capital Assistance incl. CFP, HOPE VI, Choice Neighborhoods

Borrowed Funds to be Repaid with Public Housing Capital Assistance

Total Sources of Public Housing Capital Assistance \$ -

**Step 9. Enter All Uses of Public Housing Capital Assistance**

	HUD Bgdt Line Item	
Choice Neighborhoods Supportive Services	1405	\$ -
HOPE VI Community & Supportive Services	1408	\$ -
Management Improvements, PHA	1408	\$ -
Administration, PHA	1410	\$ -
Fees and Costs (planning, prog mgmt, insurance, initial oper deficit, etc.)	1430	\$ -
Site Acquisition (cost of sites w/o structures to be retained as housing)	1440	\$ -
Site Improvement (streets, site improvements and public improvements)	1450	\$ -
Dwelling Structures, <b>Rehab</b> (cost to rehab existing PH units only)	1460	\$ -
Dwelling Structures, <b>New Const</b> (w/OH+P, finish landscape + on-site util's)	1460	\$ -
Dwelling Structures, <b>Acquisition</b> (acq. of existing units, + rehab cost)	1460	\$ -
Dwelling Equip, <b>New Const</b> (for new construction units only)	1465	\$ -
Dwelling Equip, <b>Rehab or Acq.</b> Units (for existing PH and Acq. units)	1465	\$ -
Nondwelling Structures (community facilities, social service space, etc.)	1470	\$ -
Nondwelling Equipment (e.g., vehicles)	1475	\$ -
Demolition (enter total of all demo & environmental remediation costs)	1485	\$ -
Relocation (moving expenses, & PHA cost of full-time relo staff)	1495	\$ -
Relocation - Non-Residents	1496	\$ -

Total Uses of Public Housing Capital Assistance \$ -

**Step 10. Confirm:**



**Sources = Uses**

Total Sources (Step 7) must equal Total Uses (Step 8) equal Total Uses (Step 8)

----> Difference: \$0

Okay: Sources = Uses

(± \$5 rounding allowance)

**Excluded Demolition and Abatement Cost Calculation**

Total Cost of Public Housing Unit Demo & Associated Env. Abatement (BLI 1485) \$ -

Times % of Demo Costs Excluded as "Additional Project Costs" (% from Step 7) x 0%

Equals Amount of Demo Costs Excluded from TDC Limit as "Additional Project Costs" \$ -

**Step 11. Enter Extraordinary Site Cost (must be approved by HUD)**

Community & Supportive Services ("CSS" -- for HOPE VI projects only)

(Minus) Total of "Extraordinary Site Costs" and CSS (excluded from TDC limit)

Total Uses of Public Housing Capital Assistance (amount subject to TDC Limit) \$ -

**Step 12. Review Results**

**TDC Limit Analysis:**

Total Development Cost (PH Capital Assistance only) as Percentage of TDC Limit

**No PH units (Step 2)**

**Public Housing Capital Assistance for Housing Construction Costs**

Dwelling Structures, New Const (w/OH+P, finish landscape + on-site util's)	1460	\$ -
Dwelling Equipment, New Const (if not already included in 1460)	1465	\$ -
<b>Total Housing Construction Cost</b>		\$ -

**HCC Limit Analysis:**

Housing Construction Cost (PH Capital Assistance only) as Percentage of HCC Limit

**No PH units (Step 2)**

Housing Construction Cost Limit (if any, from Step 5)

## Instructions for Completing Project Sources and Uses

1) Information/amounts on the project budgets must be consistent with information in the Mixed-Finance Development Proposal, form HUD-50157

2) The Construction Budget should only include sources & uses of funds through the end of the construction period.

3) The Permanent Budget should include sources of funds that will remain with the project after closing and construction are completed.

4) Part A costs in the Budgets are those costs included in the developer's project budget.

5) Part B costs in the Budgets are those costs paid for by the PHA directly, which will not be reimbursed at closing.

6) When labeling sources of funds, clearly identify the specific source of funds, e.g. specific lenders, type of public housing funding

7) All fees must be within the HUD Cost Control and Safe Harbor Standards

8) No public housing funds may be used to pay developer fees.

9) If a PHA is receiving a portion of the developer fee, this amount should be reflected on a separate line from the amount received by the developer.

10) No public housing funds may be used to initially fund reserve accounts, except the initial operating reserve for public housing units

11) LIHTC equity is considered "Private Funds"

12) Federal funds, except for HUD public housing funds, are considered "Other Public Funds"

13) Program income is considered "Other Public Funds"

**CONSTRUCTION PERIOD SOURCES AND USES  
EXHIBIT F TO THE MIXED-FINANCE ACC AMENDMENT**

Applicant PHA/Grantee:	Housing Authority of Sample City
Grant Name, if applicable:	Sample Grant Name
Phase/Project Name:	Sample Mixed-Finance Development or Sample Phase
PIC Development Number:	[enter the new AMP-format development number]

Part A: Development Sources	Loan/Grant/Equity	PH Capital Assist.	Private Funds	Other Public Funds	Total
Public Housing Capital Funds (CFP)	\$	-	-	-	\$
RHF or DDTF	\$	-	-	-	\$
HOPE VI Funds	\$	-	-	-	\$
Choice Neighborhoods (CN) Funds	\$	-	-	-	\$
MTW Funds	\$	-	-	-	\$
Low Income Housing Tax Credit Equity			\$	-	\$
Construction Loan: bonds			\$	-	\$
Permanent Mortgage #1: identify lender			\$	-	\$
Permanent Mortgage #2: identify lender			\$	-	\$
Other: Federal Historic Tax Credits			\$	-	\$
Other: State Historic Tax Credits			\$	-	\$
Other: CDBG			\$	-	\$
Other: PHA Seller Note			\$	-	\$
Other: HOME Funds			\$	-	\$
<b>Total Development Sources (Part A)</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>

Part B: Additional Sources	PH Capital Assist.	Private Funds	Other Public Funds	Total
Public Housing Capital Funds (CFP)	\$	-	-	\$
RHF or DDTF	\$	-	-	\$
HOPE VI Funds	\$	-	-	\$
Choice Neighborhoods Funds	\$	-	-	\$
Other: Describe	\$	-	-	\$
Other: Describe	\$	-	-	\$
<b>Total Additional Sources (Part B)</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>\$</b>

<b>Total Sources (Parts A and B)</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>
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Part A: Development Uses	HUD BLI	PH Capital Assist.	Private Funds	Other Public Funds	Total
Residential New Construction	1460	\$	-	-	\$
Residential Rehabilitation	1460	\$	-	-	\$
Builder's General Requirements	1460	\$	-	-	\$
Builder's Overhead	1460	\$	-	-	\$
Builder's Profit	1460	\$	-	-	\$
Construction Contingency	1460	\$	-	-	\$
Other: Describe	1460	\$	-	-	\$
Site/Infrastructure	1450	\$	-	-	\$
Dwelling Equipment-Non-Expendable	1465	\$	-	-	\$
Non-Residential Construction: identify	1470	\$	-	-	\$
Non-Residential Construction: identify	1470	\$	-	-	\$
Nondwelling Equipment: identify	1475	\$	-	-	\$
Demolition	1485	\$	-	-	\$
Relocation Costs	1495	\$	-	-	\$
Relocation - Non Residents	1496	\$	-	-	\$
Other: Bond Collateral		\$	-	-	\$
Other: Describe		\$	-	-	\$
Other: Describe		\$	-	-	\$
<b>Subtotal: Development Construction Costs</b>		<b>\$</b>	<b>-</b>	<b>\$</b>	<b>\$</b>

Development Soft Costs	HUD BLI	PH Capital Assist.	Private Funds	Other Public Funds	Total
Acquisition of Site(s)	1440	\$	-	-	\$
Accounting and Cost Certification	1430	\$	-	-	\$
Appraisal Expense	1430	\$	-	-	\$
Architect & Engineer Fees	1430	\$	-	-	\$
Environmental Assessment, Testing & Cleanup	1430	\$	-	-	\$
Financing & Application Expense, Lender	1430	\$	-	-	\$
Financing & Application Expense, Tax Credit	1430	\$	-	-	\$
Insurance, Construction Period	1430	\$	-	-	\$
Interest, Construction & Bridge Loan(s)	1430	\$	-	-	\$
Legal Expense, Developer & Lender(s)	1430	\$	-	-	\$
Marketing & Lease-up Expense	1430	\$	-	-	\$
Permits, Construction & Utility Hookup	1430	\$	-	-	\$
PILOT & Taxes, Construction Period	1430	\$	-	-	\$
Survey	1430	\$	-	-	\$
Title & Recording Fees	1430	\$	-	-	\$
Lease-up Reserve (Public Housing)	1430	\$	-	-	\$
Other: FF&E		\$	-	-	\$
Other: Professional Services		\$	-	-	\$
Operating Subsidy Reserve (Public Housing)		\$	-	-	\$
Operating Reserve		\$	-	-	\$
Replacement Reserve		\$	-	-	\$
Supportive Service Reserve		\$	-	-	\$
Developer Fee: Developer		\$	-	-	\$
Developer Fee: Housing Authority		\$	-	-	\$
Other: Interior Design Fee		\$	-	-	\$
Other: Plans, Reproductions, Media		\$	-	-	\$
Other: Describe		\$	-	-	\$
Other: Describe		\$	-	-	\$
Other: Describe		\$	-	-	\$
Other: Describe		\$	-	-	\$
Other: Describe		\$	-	-	\$
<b>Subtotal: Development Soft Cost</b>		<b>\$</b>	<b>-</b>	<b>\$</b>	<b>\$</b>

<b>Total Uses for Development (Part A)</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>
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Part B: Additional Uses	HUD BLI	PH Capital Assist.	Private Funds	Other Public Funds	Total
CN Supportive Services	1405	\$	-	-	\$
HOPE VI Community & Supportive Services	1408	\$	-	-	\$
Management Improvements, PHA	1408	\$	-	-	\$
Administration	1410	\$	-	-	\$
Fees & Costs	1430	\$	-	-	\$
Site Acquisition	1440	\$	-	-	\$
Site Improvement	1450	\$	-	-	\$
Demolition (and associated remediation)	1485	\$	-	-	\$
Relocation Expense	1495	\$	-	-	\$
Relocation - Non Residents	1496	\$	-	-	\$
<b>Total Additional Uses (Part B)</b>		<b>\$</b>	<b>-</b>	<b>\$</b>	<b>\$</b>

<b>Total Uses (Parts A and B)</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>
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**PERMANENT SOURCES AND USES  
EXHIBIT F TO THE MIXED-FINANCE ACC AMENDMENT**

Applicant PHA/Grantee:	<b>Housing Authority of Sample City</b>
Grant Name, if applicable:	<b>Sample Grant Name</b>
Phase/Project Name:	<b>Sample Mixed-Finance Development or Sample Phase</b>
PIC Development Number:	<b>[enter the new AMP-format development number]</b>

<b>Part A: Development Sources</b>	Loan/Grant/Equity	PH Capital Assist.	Private Funds	Other Public Funds	Total
Public Housing Capital Funds (CFP)	\$	-			\$ -
RHF/DDTF	\$	-			\$ -
HOPE VI Funds	\$	-			\$ -
Choice Neighborhoods Funds	\$	-			\$ -
MTW Funds	\$	-			\$ -
Low Income Housing Tax Credit Equity			\$ -	\$ -	\$ -
Permanent Mortgage #1: <i>Identify lender</i>			\$ -	\$ -	\$ -
Permanent Mortgage #2: <i>Identify lender</i>			\$ -	\$ -	\$ -
Other: Federal Historic Tax Credits			\$ -	\$ -	\$ -
Other: State Historic Tax Credits			\$ -	\$ -	\$ -
Other: CDBG			\$ -	\$ -	\$ -
Other: Seller Note			\$ -	\$ -	\$ -
Other: HOME			\$ -	\$ -	\$ -
<b>Total Development Sources (Part A)</b>	\$	-	\$	-	\$ -

<b>Part B: Additional Sources</b>	PH Capital Assist.	Private Funds	Other Public Funds	Total
Public Housing Capital Funds (CFP)	\$ -			\$ -
RHF/DDTF	\$ -			\$ -
HOPE VI Funds	\$ -			\$ -
Choice Neighborhoods (CN) Funds	\$ -			\$ -
Other:	\$ -	\$ -	\$ -	\$ -
Other:	\$ -	\$ -	\$ -	\$ -
<b>Total Additional Sources (Part B)</b>	\$ -	\$ -	\$ -	\$ -

<b>Total Sources (Parts A and B)</b>	\$	-	\$	-	\$	-
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<b>Part A: Development Uses</b>	HUD BLI	PH Capital Assist.	Private Funds	Other Public Funds	Total
Residential New Construction	1460	\$ -	\$ -	\$ -	\$ -
Residential Rehabilitation	1460	\$ -	\$ -	\$ -	\$ -
Builder's General Requirements	1460	\$ -	\$ -	\$ -	\$ -
Builder's Overhead	1460	\$ -	\$ -	\$ -	\$ -
Builder's Profit	1460	\$ -	\$ -	\$ -	\$ -
Construction Contingency	1460	\$ -	\$ -	\$ -	\$ -
Other:	1460	\$ -	\$ -	\$ -	\$ -
Site/Infrastructure	1450	\$ -	\$ -	\$ -	\$ -
Dwelling Equipment-Non-Expendable	1465	\$ -	\$ -	\$ -	\$ -
Non-Residential Construction: <i>Identify</i>	1470	\$ -	\$ -	\$ -	\$ -
Non-Residential Construction: <i>Identify</i>	1470	\$ -	\$ -	\$ -	\$ -
Nondwelling Equipment: <i>Identify</i>	1475	\$ -	\$ -	\$ -	\$ -
Demolition	1485	\$ -	\$ -	\$ -	\$ -
Relocation Costs	1495	\$ -	\$ -	\$ -	\$ -
Relocation - Non Residents	1496	\$ -	\$ -	\$ -	\$ -
Other: Describe		\$ -	\$ -	\$ -	\$ -
Other: Describe		\$ -	\$ -	\$ -	\$ -
Other: Describe		\$ -	\$ -	\$ -	\$ -
<b>Subtotal: Development Construction Costs</b>		\$ -	\$ -	\$ -	\$ -

<b>Development Soft Costs</b>	HUD BLI	PH Capital Assist.	Private Funds	Other Public Funds	Total
Acquisition of Site(s)	1440	\$ -	\$ -	\$ -	\$ -
Accounting and Cost Certification	1430	\$ -	\$ -	\$ -	\$ -
Appraisal Expense	1430	\$ -	\$ -	\$ -	\$ -
Architect & Engineer Fees	1430	\$ -	\$ -	\$ -	\$ -
Environmental Assessment, Testing & Cleanup	1430	\$ -	\$ -	\$ -	\$ -
Financing & Application Expense, Lender	1430	\$ -	\$ -	\$ -	\$ -
Financing & Application Expense, Tax Credit	1430	\$ -	\$ -	\$ -	\$ -
Insurance, Construction Period	1430	\$ -	\$ -	\$ -	\$ -
Interest, Construction & Bridge Loan(s)	1430	\$ -	\$ -	\$ -	\$ -
Legal Expense, Developer & Lender(s)	1430	\$ -	\$ -	\$ -	\$ -
Marketing & Lease-up Expense	1430	\$ -	\$ -	\$ -	\$ -
Permits, Construction & Utility Hookup	1430	\$ -	\$ -	\$ -	\$ -
PILOT & Taxes, Construction Period	1430	\$ -	\$ -	\$ -	\$ -
Survey	1430	\$ -	\$ -	\$ -	\$ -
Title & Recording Fees	1430	\$ -	\$ -	\$ -	\$ -
Lease Up Reserve (Public Housing)	1430	\$ -	\$ -	\$ -	\$ -
Other: Describe	1430	\$ -	\$ -	\$ -	\$ -
Other: Describe	1430	\$ -	\$ -	\$ -	\$ -
Operating Subsidy Reserve (Public Housing)			\$ -	\$ -	\$ -
Operating Reserve			\$ -	\$ -	\$ -
Replacement Reserve			\$ -	\$ -	\$ -
Supportive Service Reserve			\$ -	\$ -	\$ -
Developer Fee: Developer			\$ -	\$ -	\$ -
Developer Fee: Housing Authority			\$ -	\$ -	\$ -
Other: Describe		\$ -	\$ -	\$ -	\$ -
Other: Describe		\$ -	\$ -	\$ -	\$ -
Other: Describe		\$ -	\$ -	\$ -	\$ -
Other: Describe		\$ -	\$ -	\$ -	\$ -
Other: Describe		\$ -	\$ -	\$ -	\$ -
Other: Describe		\$ -	\$ -	\$ -	\$ -
<b>Subtotal: Development Soft Cost</b>		\$ -	\$ -	\$ -	\$ -

<b>Total Uses for Development (Part A)</b>	\$	-	\$	-	\$	-
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<b>Part B: Additional Uses</b>	HUD BLI	PH Capital Assist.	Private Funds	Other Public Funds	Total
CN Supportive Services	1405	\$ -	\$ -	\$ -	\$ -
HOPE VI Community & Supportive Services	1408	\$ -	\$ -	\$ -	\$ -
Management Improvements, PHA	1408	\$ -	\$ -	\$ -	\$ -
Administration	1410	\$ -	\$ -	\$ -	\$ -
Fees & Costs	1430	\$ -	\$ -	\$ -	\$ -
Site Acquisition	1440	\$ -	\$ -	\$ -	\$ -
Site Improvement	1450	\$ -	\$ -	\$ -	\$ -
Demolition (and associated remediation)	1485	\$ -	\$ -	\$ -	\$ -
Relocation Expense	1495	\$ -	\$ -	\$ -	\$ -
Relocation - Non Residents	1496	\$ -	\$ -	\$ -	\$ -
<b>Total Additional Uses (Part B)</b>		\$ -	\$ -	\$ -	\$ -

<b>Total Uses (Parts A and B)</b>	\$	-	\$	-	\$	-
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<b>DEVELOPER FEE CALCULATION</b>			<b>CONTRACTOR FEE CALCULATION</b>	
Total Project Cost (Part A Costs Only)	\$	-	Total Construction Hard Costs (Part A Only)	\$ -
Less Developer Fee			Less Contractor Fees	
Developer	\$	-	General Conditions & Bond	\$ -
PHA	\$	-	Overhead	\$ -
<b>TOTAL DEVELOPER FEE</b>	\$	-	Profit	\$ -
Less Reserves			<b>TOTAL CONTRACTOR FEE</b>	\$ -
Lease-Up Reserve (public housing)	\$	-	Less Hard Costs Contingency	\$ -
Operating Subsidy Reserve (public housing)	\$	-	<b>BASIS FOR FEE CALCULATION</b>	\$ -
Operating Reserve	\$	-		
Replacement Reserve	\$	-	<b>CONTRACTOR FEE</b>	<b>0%</b>
Social Service Reserve	\$	-	<b>General Conditions &amp; Bond</b>	<b>0%</b>
Other:			<b>Overhead</b>	<b>0%</b>
<b>TOTAL RESERVES</b>	\$	-	<b>Profit</b>	<b>0%</b>
Less Other Excluded Costs (relocation, CSS)	\$	-		
<b>BASIS FOR FEE CALCULATION</b>	\$	-		
<b>TOTAL DEVELOPER FEE</b>		<b>0.0%</b>	<b>LIHTC EQUITY CALCULATION</b>	
<b>Fee to Developer</b>		<b>0.0%</b>	Placed-in-Service Date	
<b>Fee to PHA</b>		<b>0.0%</b>	Annual Tax Credit Allocation Amount	
			Gross Equity Syndication Proceeds	\$ -
			Equity Proceeds Not Available for Project Use	\$ -
			Net Equity Proceeds as of Placed-in-Service Date	\$ -
			Net Equity per Dollar	#DIV/0!
<b>PRO RATA TEST</b>				
<u>Unit Type</u>	<u>Number</u>	<u>Percent</u>		
Public Housing/Replacment	0	0%		
Other Units	0	0%		
Total Units	0	0%		
<u>Source of Funds (Part A Funds Only)</u>	<u>Amount</u>	<u>Percent</u>	<b>PER UNIT PUBLIC HOUSING CASH FLOW CALCULATION</b>	
Public Housing Funds	\$ -	0%	Total Public Housing Rental Income	\$ -
Other Funds	\$ -	0%	Per Unit Per Month Public Housing Rental Income	#DIV/0!
<b>Total Funds</b>	\$ -	<b>0%</b>	Total Operating Expenses	\$ -
			Per Unit Per Month Operating Expenses	#DIV/0!
<b>Test</b>			Cash Flow per Public Housing Unit	#DIV/0!
<b>% Public Housing/Replacement Units</b>		<b>0%</b>		
<b>% Public Housing Funds</b>		<b>0%</b>		
<b>% of public housing funds cannot exceed percent of public housing/replacement units</b>				

<b>INCOME PROJECTIONS</b>								
<i>All rents should be net of utility allowance</i>								
<b>Unit Type</b>	<b># Units</b>	<b># of Bed-rooms</b>	<b>Monthly Tenant Rent (PUM)</b>	<b>Monthly Subsidy (PUM)</b>	<b>Monthly Income (PUM)</b>	<b>Annual Tenant Rent Total</b>	<b>Annual Subsidy Total</b>	<b>Total Annual Income</b>
Public Housing			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Public Housing Totals</b>	0					\$ -	\$ -	\$ -
Project Based Voucher (PBV) and Project Based Rental Assistance (PBRA)			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>PBV+PBRA Totals</b>	0					\$ -	\$ -	\$ -
Other Affordable/Restricted					\$ -			\$ -
					\$ -			\$ -
					\$ -			\$ -
					\$ -			\$ -
<b>Total Other Affordable/Restricted</b>	0						\$ -	
Unrestricted/Market					\$ -			\$ -
					\$ -			\$ -
					\$ -			\$ -
					\$ -			\$ -
<b>Total Unrestricted/Market</b>	0						\$ -	
<b>Other Income</b>					\$ -			\$ -

ASSUMPTIONS: PRO FORMA WORKSHEET

Provide the following assumptions, which should be reflected on the Pro Forma

Rental Income Annual Increase (%)	0%	
Other Income Annual Increase (%)	0%	
Vacancy Rate (%)	0%	
Expense annual increase (%)	0%	
Replacement Reserve Annual Amount (\$)	\$0	\$0 per unit/per year
Replacement Reserve Annual Increase (%)	0%	

Property Management Fee (fixed fee or % of effective gross income)

Fixed Fee per year	\$0	\$0 per unit/per year
Annual Increase (%)	0%	
<b><u>OR</u></b>		
% of Effective Gross Income	0%	

15 Year Operating Pro Forma

Applicant PHA/Grantee: Housing Authority of Sample City  
 Grant Name, if applicable: Sample Grant Name  
 Phase/Project Name: Sample Mixed-Finance Development or Sample Phase  
 PIC Development Number: [enter the new AMP-format development number]

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Operating Income</b>															
Unrestricted (Market Rate) Unit Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Affordable/Restricted Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Non-Public Housing Rental Income</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Housing Choice Voucher/PBRA</b>															
Tenant Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Voucher/PBRA Amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Housing Choice Voucher/PBRA</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Public Housing Rental Income</b>															
Tenant Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Public Housing Operating Subsidy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Public Housing Rental Income</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Gross Rental Income</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Income (laundry, interest, etc.)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Gross Income</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Vacancy Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Effective Gross Income</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Operating Expenses</b>															
Administration/Salaries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Management Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Office Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accounting	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Security	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Real Estate Taxes/PILOT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Supportive Services															
Replacement Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other															
Other															
<b>Total Operating Expenses</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Operating Income</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Debt Service</b>															
Loan 1: <i>identify</i>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan 2: <i>identify</i>		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan 3: <i>identify</i>		0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Debt Service</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Coverage Ratio	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fee: <i>identify</i>															
Fee: <i>identify</i>															
Fee: <i>identify</i>															
<b>Cash Flow Available for Distribution</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Distribution: <i>identify</i>															
Distribution: <i>identify</i>															
Distribution: <i>identify</i>															
Distribution: <i>identify</i>															
Distribution: <i>identify</i>															
<b>Income</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Applicant PHA/Grantee: Housing Authority of Sample City  
 Grant Name, if applicable: Sample Grant Name  
 Phase/Project Number & Name: Sample Mixed-Finance Development or Sample Phase  
 PIC Development Number: [enter the new AMP-format development number]

Date Prepared: 17-Dec-10  
 % of  
 Construction  
 Costs Completed

**Flow of Funds Analysis**

Starting Balance

**Uses of Funds**

<b>Acquisition Costs</b>	
Land	-
Building	-
<b>Total Acquisition Costs</b>	<b>0</b>
<b>Hard Costs</b>	
Hard Construction Costs	9,075,000
Site Work	1,000,000
General Requirements	544,500
Contractor Overhead	181,500
Contractor Profit	544,500
Contractor Bond Premium	
Contingency	725,000
FF&E	250,000
Retainage	
<b>Total Hard Costs</b>	<b>12,320,500</b>
<b>Soft Construction Costs</b>	
Architecture Design & Engineering	680,000
Survey & As-Built Survey	25,000
Environmental	60,000
Soils & Materials Testing/Structural Report	20,000
Insurance	60,000
Construction Loan Interest Rate Cap	0
Construction Loan Legal, Due Diligence and Appraisal	48,000
Permanent Loan Origination	19,625
Inspection Fees	35,000
Title & Recording	34,000
Developer Legal	125,000
Accountant and Audit	80,000
Appraisal & Market Study	15,000
Marketing	55,000
Rent-up Reserve	200,000
Soft Cost Contingency	48,503
Operating Reserve	581,500
Replacement Reserve	49,452
Tax Credit Application Fees	4,000
Tax Credit Fees (Reservation and Monitoring)	171,700
Developer Overhead	488,800
Developer Fee	1,466,400
AHA Developer Fee	488,800
<b>Total Soft Construction Costs</b>	<b>5,979,797</b>
<b>Total Development Costs</b>	<b>18,300,297</b>
Loan Repayment	10,925,000
<b>Total Project Uses</b>	<b>29,225,297</b>
<b>Constr. Sources of Funds</b>	
	<b>% Equity pay-in</b>
Investor Disbursement/Draws	8,599,320
Investor Balance Available	-
Bank Construction Loan Disbursement	# 10,925,000
AHA Disbursement	# 5,170,000
Deferred Developers Fee	605,977
<b>Total Project Sources</b>	<b>29,225,297</b>
AHA Potential Eligible Costs	5,170,000
AHA Loan Disbursement	
AHA Loan Balance Start Month	
AHA Disbursements for Eligible Costs Only	
AHA Cumulative Loan Balance	
Projected Construction Interest Due Based on Draw Schedule	
Cumulative Bank Construction Loan Balance	

Applicant PHA/Grantee: Housing Authority of Sample City  
 Grant Name, if applicable: Sample Grant Name  
 Phase/Project Number & Name: Sample Mixed-Finance Development or Sample Phase  
 PIC Development Number: [enter the new AMP-format development number]

Date Prepared: 17-Dec-10

% of  
Construction  
Costs Completed

Flow of Funds Analysis	Closing	Draw1	Draw2	Draw3	Draw4	Draw5	Draw6	Draw7	Draw8	Draw9	Draw10	Draw11
Starting Balance	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11

Uses of Funds	Closing											
<b>Acquisition Costs</b>												
Land	-	-	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Acquisition Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Hard Costs</b>												
Hard Construction Costs	9,075,000	226,875	680,625	680,625	907,500	1,134,375	1,089,000	1,089,000	907,500	680,625	272,250	226,875
Site Work	1,000,000	25,000	75,000	75,000	100,000	125,000	120,000	120,000	100,000	75,000	30,000	25,000
General Requirements	544,500	13,613	40,838	40,838	54,450	68,063	65,340	65,340	54,450	40,838	16,335	13,613
Contractor Overhead	181,500	4,538	13,613	13,613	18,150	22,688	21,780	21,780	18,150	13,613	5,445	4,538
Contractor Profit	544,500	13,613	40,838	40,838	54,450	68,063	65,340	65,340	54,450	40,838	16,335	13,613
Contractor Bond Premium			0	0	0	0	0	0	0	0	0	0
Contingency	725,000	0	0	217,500	0	0	145,000	0	145,000	0	0	0
FF&E	250,000	37,500	-	-	25,000	25,000	-	-	-	-	25,000	25,000
Retainage		(28,364)	(85,091)	(85,091)	(113,455)	(141,819)	(136,146)	(68,073)	(63,978)	(42,546)	(17,018)	(14,182)
<b>Total Hard Costs</b>	<b>12,320,500</b>	<b>292,774</b>	<b>765,821</b>	<b>983,321</b>	<b>1,046,095</b>	<b>1,301,369</b>	<b>1,370,314</b>	<b>1,293,387</b>	<b>1,215,573</b>	<b>808,367</b>	<b>323,347</b>	<b>294,456</b>
<b>Soft Construction Costs</b>												
Architecture Design & Engineering	680,000	470,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Survey & As-Built Survey	25,000	25,000										
Environmental	60,000	60,000										
Soils & Materials Testing/Structural Report	20,000	20,000										
Insurance	60,000	30,000	0								0	
Construction Loan Interest Rate Cap	0	0										
Construction Loan Legal, Due Diligence and Appraisal	48,000	48,000										
Permanent Loan Origination	19,625											
Inspection Fees	35,000		2,692	2,692	2,692	2,692	2,692	2,692	2,692	2,692	2,692	2,692
Title & Recording	34,000	34,000										
Developer Legal	125,000	100,000										
Accountant and Audit	80,000	40,000										
Appraisal & Market Study	15,000	15,000	0									
Marketing	55,000					11,000	5,500	5,500	5,500	5,500	5,500	5,500
Rent-up Reserve	200,000											
Soft Cost Contingency	48,503							3,731	3,731	3,731	3,731	3,731
Operating Reserve	581,500											
Replacement Reserve	49,452											
Tax Credit Application Fees	4,000	4,000	0									
Tax Credit Fees (Reservation and Monitoring)	171,700	171,700										
Developer Overhead	488,800	391,040	0	0	0	0	0	0	0	0	0	0
Developer Fee	1,486,400	0	0	0	0	0	0	0	0	0	0	0
AHA Developer Fee	488,800	0	0	0	0	0	0	0	0	0	0	0
<b>Total Soft Construction Costs</b>	<b>5,979,797</b>	<b>2,050,757</b>	<b>18,992</b>	<b>20,627</b>	<b>21,859</b>	<b>32,859</b>	<b>27,359</b>	<b>30,014</b>	<b>38,934</b>	<b>44,162</b>	<b>47,714</b>	<b>49,260</b>
<b>Total Development Costs</b>	<b>18,300,297</b>	<b>2,343,531</b>	<b>784,813</b>	<b>1,003,948</b>	<b>1,067,954</b>	<b>1,334,228</b>	<b>1,397,673</b>	<b>1,323,401</b>	<b>1,254,507</b>	<b>852,528</b>	<b>371,061</b>	<b>343,716</b>
Loan Repayment	10,925,000											
<b>Total Project Uses</b>	<b>29,225,297</b>	<b>2,343,531</b>	<b>784,813</b>	<b>1,003,948</b>	<b>1,067,954</b>	<b>1,334,228</b>	<b>1,397,673</b>	<b>1,323,401</b>	<b>1,254,507</b>	<b>852,528</b>	<b>371,061</b>	<b>343,716</b>
<b>Constr. Sources of Funds</b>	<b>% Equity pay-in</b>											
Investor Disbursement/Draws	8,599,320	24%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Investor Balance Available	-	1,719,864	-	-	-	-	-	-	-	-	-	-
Bank Construction Loan Disbursement	# 10,925,000	311,833	392,406	295,760	-	-	637,267	1,245,416	1,254,507	852,528	371,061	343,716
AHA Disbursement	# 5,170,000	311,833	392,406	708,188	1,067,954	1,334,228	760,406	77,985				
Deferred Developers Fee	605,977											
<b>Permanent Sources</b>												
Interest Earnings												
Deferred Developers Fee												
<b>Total Project Sources</b>	<b>29,225,297</b>	<b>2,343,531</b>	<b>784,813</b>	<b>1,003,948</b>	<b>1,067,954</b>	<b>1,334,228</b>	<b>1,397,673</b>	<b>1,323,401</b>	<b>1,254,507</b>	<b>852,528</b>	<b>371,061</b>	<b>343,716</b>
AHA Potential Eligible Costs	5,170,000	1,544,724	784,813	1,003,948	1,067,954	1,334,228	1,355,391	594,985	517,000	517,000	371,061	343,716
AHA Loan Disbursement		311,833	392,406	708,188	1,067,954	1,334,228	760,406	77,985				
AHA Loan Balance Start Month		5,170,000	4,858,167	4,465,760	3,757,572	2,689,619	1,355,391	594,985	517,000	517,000	517,000	517,000
AHA Disbursements for Eligible Costs Only		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AHA Cumulative Loan Balance		311,833	704,240	1,412,428	2,480,381	3,814,609	4,575,015	4,653,000	4,653,000	4,653,000	4,653,000	4,653,000
Projected Construction Interest Due Based on Draw Schedule			1,298	2,934	4,167	4,167	4,167	6,822	12,011	17,238	20,790	23,769
Cumulative Bank Construction Loan Balance		311,833	704,240	1,000,000	1,000,000	1,000,000	1,637,267	2,862,683	4,137,190	4,989,719	5,360,779	5,704,495

Applicant PHA/Grantee: Housing Authority of Sample City  
 Grant Name, if applicable: Sample Grant Name  
 Phase/Project Number & Name: Sample Mixed-Finance Development or Sample Phase  
 PIC Development Number: [enter the new AMP-format development number]

Date Prepared: 17-Dec-10

% of Construction Costs Completed

2.50% 8.00% 0.00% 0.00% 100%

Flow of Funds Analysis

	Starting Balance	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Ending Balance
		<b>2nd Installment - Construction Completion</b>				<b>3rd Installment - Conversion</b>			<b>4th Installment - Stabilization/8609s</b>			
<b>Uses of Funds</b>												
<b>Acquisition Costs</b>												
Land	-	-	-	-	-	-	-	-	-	-	-	0
Building	-	-	-	-	-	-	-	-	-	-	-	0
<b>Total Acquisition Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Hard Costs</b>												
Hard Construction Costs	9,075,000	226,875	726,000	0								0
Site Work	1,000,000	25,000	80,000	0								0
General Requirements	544,500	13,613	43,560	0								0
Contractor Overhead	181,500	4,538	14,520	0								0
Contractor Profit	544,500	13,613	43,560	0								0
Contractor Bond Premium												0
Contingency	725,000	0	0	0	0	217,500						0
FF&E	250,000	25,000	37,500	50,000	-	0	0					0
Retainage		(14,182)	(45,382)	869,508	0							0
<b>Total Hard Costs</b>	<b>12,320,500</b>	<b>294,456</b>	<b>899,758</b>	<b>919,508</b>	<b>0</b>	<b>217,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Soft Construction Costs</b>												
Architecture Design & Engineering	680,000	15,000	30,000	0	0	0	0	0	0			0
Survey & As-Built Survey	25,000											0
Environmental	60,000											0
Soils & Materials Testing/Structural Report	20,000											0
Insurance	60,000	30,000										0
Construction Loan Interest Rate Cap	0											0
Construction Loan Legal, Due Diligence and Appraisal	48,000											0
Permanent Loan Origination	19,625								19,625			0
Inspection Fees	35,000	2,692	2,692									0
Title & Recording	34,000								0		0	0
Developer Legal	125,000								25,000			0
Accountant and Audit	80,000	0	40,000									0
Appraisal & Market Study	15,000											0
Marketing	55,000	5,500										0
Rent-up Reserve	200,000		33,333	33,333	33,333	33,333	33,333	33,333				0
Soft Cost Contingency	48,503	3,731	3,731	3,731	3,731	3,731	3,731	3,731	3,731			0
Operating Reserve	581,500	0					0					0
Replacement Reserve	49,452								581,500	0		0
Tax Credit Application Fees	4,000								49,452			0
Tax Credit Fees (Reservation and Monitoring)	171,700			0	0	0	0	0	0	0		0
Developer Overhead	488,800	41,396	56,364	0	0	0	0	0	0			0
Developer Fee	1,466,400	0	0	0	0	0	0	0	1,466,400			0
AHA Developer Fee	488,800	0	0	0	0	0	0	0	488,800			0
<b>Total Soft Construction Costs</b>	<b>5,979,797</b>	<b>154,526</b>	<b>191,327</b>	<b>62,271</b>	<b>62,271</b>	<b>62,271</b>	<b>37,064</b>	<b>37,064</b>	<b>2,939,773</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Development Costs</b>	<b>18,300,297</b>	<b>448,982</b>	<b>1,091,085</b>	<b>981,779</b>	<b>62,271</b>	<b>279,771</b>	<b>37,064</b>	<b>37,064</b>	<b>2,939,773</b>	<b>0</b>	<b>0</b>	<b>18,300,297</b>
Loan Repayment	10,925,000					10,925,000			0			10,925,000
<b>Total Project Uses</b>	<b>29,225,297</b>	<b>448,982</b>	<b>1,091,085</b>	<b>981,779</b>	<b>62,271</b>	<b>11,204,771</b>	<b>37,064</b>	<b>37,064</b>	<b>2,939,773</b>	<b>-</b>	<b>-</b>	<b>29,225,297</b>
		<b>% Equity pay-in</b>	<b>36%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>42%</b>	<b>0%</b>	<b>0.0%</b>	<b>18.0%</b>	<b>0%</b>	<b>0%</b>
<b>Constr. Sources of Funds</b>												<b>Ending Balance</b>
Investor Disbursement/Draws	8,599,320	448,982	1,091,085	464,779	62,271	2,404,413	37,064	37,064	2,333,796	-	-	8,599,320
Investor Balance Available	-	2,130,814	1,039,729	574,950	512,678	1,118,027	1,080,963	1,043,898	-	-	-	-
Bank Construction Loan Disbursement	# 10,925,000	-	-	-	-	4,875,357	-	-	-	-	-	10,925,000
AHA Disbursement	# 5,170,000	-	-	517,000	-	-	-	-	-	-	-	5,170,000
Deferred Developers Fee	605,977	-	-	(0)	-	-	-	(0)	605,977	-	-	605,977
<b>Permanent Sources</b>												
Interest Earnings												-
Deferred Developers Fee												-
<b>Total Project Sources</b>	<b>29,225,297</b>	<b>448,982</b>	<b>1,091,085</b>	<b>981,779</b>	<b>62,271</b>	<b>11,204,771</b>	<b>37,064</b>	<b>37,064</b>	<b>2,939,773</b>	<b>-</b>	<b>-</b>	<b>29,225,297</b>
AHA Potential Eligible Costs	5,170,000	407,586	517,000	517,000	-	-	-	-	-	-	-	11,221,551
AHA Loan Disbursement	-	-	-	517,000	-	-	-	-	-	-	-	5,170,000
AHA Loan Balance Start Month	-	517,000	517,000	517,000	-	-	-	-	-	-	-	-
AHA Disbursements for Eligible Costs Only	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AHA Cumulative Loan Balance	4,653,000	4,653,000	5,170,000	5,170,000	5,170,000	5,170,000	5,170,000	5,170,000	5,170,000	5,170,000	5,170,000	-
Projected Construction Interest Due Based on Draw Schedule	25,207	25,207	25,207	25,207	25,207	25,207	-	-	-	-	-	245,735
Cumulative Bank Construction Loan Balance	6,049,643	6,049,643	6,049,643	6,049,643	6,049,643	-	-	-	-	-	-	-

**Exhibit D. HUD Cost Control and Safe Harbors**  
(See Attached)

## **Cost Control and Safe Harbor Standards for Rental Mixed-Finance Development**

**Revised: April 9, 2003**

In order to expedite the mixed-finance review process and control costs, HUD is instituting safe harbor and maximum fee ranges for a number of costs. In addition, HUD has provided guidance on several development issues. Unless otherwise noted, the cost controls and safe harbors apply to those phases for which a mixed-finance proposal is submitted after January 1, 2000. Any terms previously approved by HUD through approval of a pre-development agreement, development agreement, or program manager contract will not be reviewed again. This guidance is specific to rental developments, and does not apply to homeownership phases.

These policies were developed in consultation with housing authorities, HUD staff, and industry representatives, over the course of more than a year. Once drafted, they were circulated for public review, and the final cost controls included here reflect the many valuable comments received. HUD will continue to review the policies, based on experiences reported by housing authorities and other program participants, and may make alterations to the standards in the future.

Changes from the revised Cost Control and Safe Harbor Standards (January 2, 2002) are italicized in this alert and include the following:

- HOPE VI or other public housing funds may be used, on a case-by-case basis, to pay for up to 15% of the total developer fee/overhead amount to the developer prior to closing. A loan is not required.
- Operating subsidy and tenant rents used to fund a reserve must be used for eligible operating subsidy expenses.
- The property management fee for the public housing units may be calculated as 6% of imputed tax credit rents.

HUD's cost controls and safe harbors are contained in the following chart. The chart provides a brief definition of each term, lists the safe harbor and maximum allowable fees, and briefly describes the risk factors or circumstances that may result in a fee above the safe harbor standards. These guidelines should be used by housing authorities, developers, and consultants when negotiating terms and drafting documents for HUD review.

HUD will review the project terms when receiving Predevelopment and Development Agreements, Program Manager contracts, mixed-finance proposals, and/or other documents that contain negotiated terms. If a project is at or below a safe harbor standard, no further review will be required by HUD. If a project is above a safe harbor standard, additional review by HUD will be necessary. In order to approve terms above the safe harbor, the housing authority must demonstrate to HUD in writing that the negotiated terms are appropriate for the level of risk involved in the project, the scope of work, any specific circumstances of the development, and the local or national market for the services provided.

## Cost Control and Safe Harbor Standards

Item	Defining Criteria	Safe Harbor	Maximum
<p>Net Developer Fee for Rental Mixed-Finance Developments</p> <p>(Developer Fee and Overhead)</p>	<p>The safe harbor and maximum standards apply to the net developer fee, i.e., the portion of the developer fee received by the developer to cover overhead and profit.*</p> <p>Net developer fee is expressed as a percentage of the project costs. Project costs are defined as all hard and soft costs of constructing a particular component with the <b>exclusion</b> of the following:</p> <ul style="list-style-type: none"> <li>• Third-party costs paid by the PHA under contracts entered into directly by PHA and third parties, which will not be reimbursed to PHA at a mixed-finance closing (e.g., where the PHA contracts separately for demolition services);</li> <li>• The developer fee itself;</li> <li>• All costs related to family self-sufficiency and resident relocation activities; and,</li> <li>• All reserve accounts regardless of how characterized, including start-up reserves, operating deficit reserves, capital improvement reserves, initial operating period reserve, etc.</li> </ul> <p>Payments to developers such as “deferred developer fee” are considered part of the fee/overhead amount.</p> <p>Developers may receive up to a 1% additional fee (with a cap of 12% developer fee) if cost savings are realized. This 1% incentive fee must be paid from non-public housing funds.</p>	<p>9% or less of the project costs (profit and overhead); projects that do not have both LIHTC and public housing financing should have fees well below 9%.</p>	<p>12% of the project costs (profit and overhead).</p> <p>Fees above 12% will be considered only if allowed by the State Housing Finance Agency <b>and</b> with significant justification from the PHA and developer demonstrating the increased risk.</p>

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\* The safe harbor and maximum guidelines assume the net developer fee excludes any portion of the fee received by the developer or co-developer (including a PHA) that is returned to the project to fund operating reserves or to cover project costs.

## Cost Control and Safe Harbor Standards

Item	Defining Criteria	Safe Harbor	Maximum
	<p>Developers with fees above the safe harbor standard should meet most or all of the following risk factors:</p> <ul style="list-style-type: none"> <li>• Developer guarantees are for large dollar amounts in proportion to project size and/or long terms;</li> <li>• Developer independently obtains financing, including tax credits (fee increases with both amount of financing and number of sources);</li> <li>• Developer obtains site control from an entity other than a PHA or PHA affiliate (fee increases with number of sites);</li> <li>• Project is small (i.e., 50 units or less);</li> <li>• Project is complex (e.g., in financial, legal, environmental, and/or political terms);</li> <li>• Project contains units without operating subsidy (i.e., market-rate or LIHTC-only units);</li> <li>• Developer bears more than 25% of the predevelopment costs (until reimbursement at closing); and/or</li> <li>• The Developer Fee is deferred (paid out of positive cash flow from market-rate units).</li> </ul> <p>All criteria apply to both for-profit and non-profit developers.</p> <p>PHAs or PHA affiliates that act as developer can only receive fees if they are first returned to the project and, to the extent that funds are remaining, subsequently classified as program income and used for low-income housing purposes.</p>		

## Cost Control and Safe Harbor Standards

Item	Defining Criteria	Safe Harbor	Maximum
<p>Pay-Out Schedule for Developer Fee/Overhead</p>	<p>Public housing funds may not be used for payment of developer fee/overhead. HUD recommends the following limit on the pay-out schedule, to the extent that non-public housing funds are available, by phase:</p> <ul style="list-style-type: none"> <li>• Closing: Not to exceed 50% of the fee/overhead amount.</li> <li>• Construction Completion: 25% of the fee/overhead amount.</li> <li>• Stabilized Occupancy: 25% of the fee/overhead amount.</li> </ul> <p>A portion of the fee can be further deferred.</p> <p><i>On a case-by-case basis, HUD will consider advancing the developer funds where there is an extended predevelopment period caused by such external factors as environmental remediation, consent orders, etc. If HUD determines such an advance is warranted, HUD will advance up to 15% of the total developer fee/overhead amount to the developer prior to closing using HOPE VI or other public housing funds.</i></p>	<p>Within recommended pay-out schedule.</p>	<p>Payments of greater than 50% at closing or less than 25% at stabilized occupancy will be closely scrutinized.</p>
<p>Contractor Fee</p>	<ul style="list-style-type: none"> <li>• Percentages are based on hard construction cost.</li> <li>• General Conditions includes the bond premium.</li> </ul>	<p>Overhead: 2% Profit: 6% General Conditions: 6%</p>	<p>14% is the maximum for these combined costs provided that the PHA justifies why the 2/6/6 percentages for the individual costs cannot be met.</p>

## Cost Control and Safe Harbor Standards

Item	Defining Criteria	Safe Harbor	Maximum
PHA Administrative/ Consultant Costs	<ul style="list-style-type: none"> <li>• Costs should reflect only actual documented expenditure of time and overhead cost (supplies, equipment, telephone, etc.)</li> <li>• Such costs include both in-house staff time and outside consultants (program manager, development advisors, relocation specialists, etc.), but <b>exclude</b> outside legal and community and supportive services costs. On the HUD budgets, these costs may be captured under multiple BLIs.</li> <li>• This cap applies to HOPE VI grantees awarded funds in 1998 or later, as well as to any non-HOPE VI mixed-finance projects with proposals submitted after January 1, 2000; HUD will evaluate earlier grants on a case-by-case basis. HUD will continue to evaluate whether this cap provides helpful guidance and controls costs without hampering the PHA's ability to implement the grant.</li> </ul>	3% of the total project budget (basis includes all hard and soft development costs <b>excluding</b> CSS expenses).	6% of the total project budget
Sharing of Third-party Pre-development Costs	<p>HUD recommends the following cost-sharing schedule:</p> <ul style="list-style-type: none"> <li>• PHA and Developer split third-party costs 75/25.</li> <li>• Developer's share of third-party costs (25%) will be reimbursed at closing out of available sources.</li> </ul> <p>Costs to be shared are all third-party costs under the developer's scope of work (e.g., A/E, market study, financing fees, etc.) incurred during the predevelopment period. Public housing funds may not be used to reimburse developer legal counsel prior to closing, and developer legal costs do not contribute to the developer's share of third-party costs.</p> <p>Exceptions to the schedule may be made for small, local, non-profit, and/or minority/disadvantaged firms on a case-by-case basis.</p>	Costs are shared up to 75% by the PHA and at least 25% by the Developer.	N/A
Equity Raise and Pay-In Schedule	HUD will not adopt a safe harbor equity raise or standard pay-in schedule, as these are highly competitive, market-driven numbers.	Current market standard.	N/A

## Cost Control and Safe Harbor Standards

Item	Defining Criteria	Safe Harbor	Maximum
Identity of Interest Parties	<ul style="list-style-type: none"> <li>• Identity of interest parties are those that share an ownership interest. Identity of interest relationships are most common between a developer/owner and construction management, general contractor (GC), private management firm, and/or investor.</li> <li>• PHAs are required to ensure cost competitiveness to the extent possible.</li> <li>• Where a developer and GC have an identity of interest, the PHA needs to show the GC was the lowest bidder in response to a public request for bids or request a waiver from HUD under 24 C.F.R. 941.606(n)(1)(ii)(B).</li> <li>• While the use of related or preferred entities as investors is permitted, HUD encourages PHAs to have their procured developer “shop around” to ensure they are getting a competitive yield.</li> </ul>	N/A	N/A

## Cost Control and Safe Harbor Standards

Item	Defining Criteria	Safe Harbor	Maximum
Property Management Fees	<ul style="list-style-type: none"> <li>• Can be defined on a percentage of gross income or per-unit per month (PUM) basis.</li> <li>• If using the PUM basis for fee, fees should drop for vacant units.</li> <li>• PHAs and PHA Affiliates cannot earn a fee for property management of public housing units, but can cover their associated administrative expenses.</li> <li>• Fees may increase with higher-risk projects.</li> <li>• Different types of risk are associated both with mixed-income and solely public housing projects.</li> </ul>	<p>a) 6% effective gross income or,</p> <p>b) a flat PUM fee for occupied units that is supported by the local project-based Section 8 program in the area (use Field Office guidelines) or,</p> <p><i>c) 6% of imputed tax credit rent for the public housing units (assume public housing units are tax credit units, charge up to maximum tax credit rent, and take 6% of that amount).</i></p>	Proposals above the safe harbor will be closely scrutinized; higher fees will require significant justification and market support.
Price for Program Management Services	<ul style="list-style-type: none"> <li>• Typically a fixed-price contract.</li> <li>• Contracts must be performance-based with payments fixed to milestones (or monthly if tied to milestones).</li> <li>• Size of fee should be related to the specific scope and role PM is expected to play.</li> <li>• Costs for program management (either a full team or independently procured consultants) must be included in the PHA's Administrative Cost Cap.</li> <li>• PHAs must comply with the provision of the procurement regulations that requires a PHA to prepare a cost estimate for procured services prior to receipt of bids.</li> </ul>	N/A; the fee must be contained within the PHA's overall Administrative Cost Cap. Use checklist of responsibilities and clearly defined scope to limit costs.	N/A

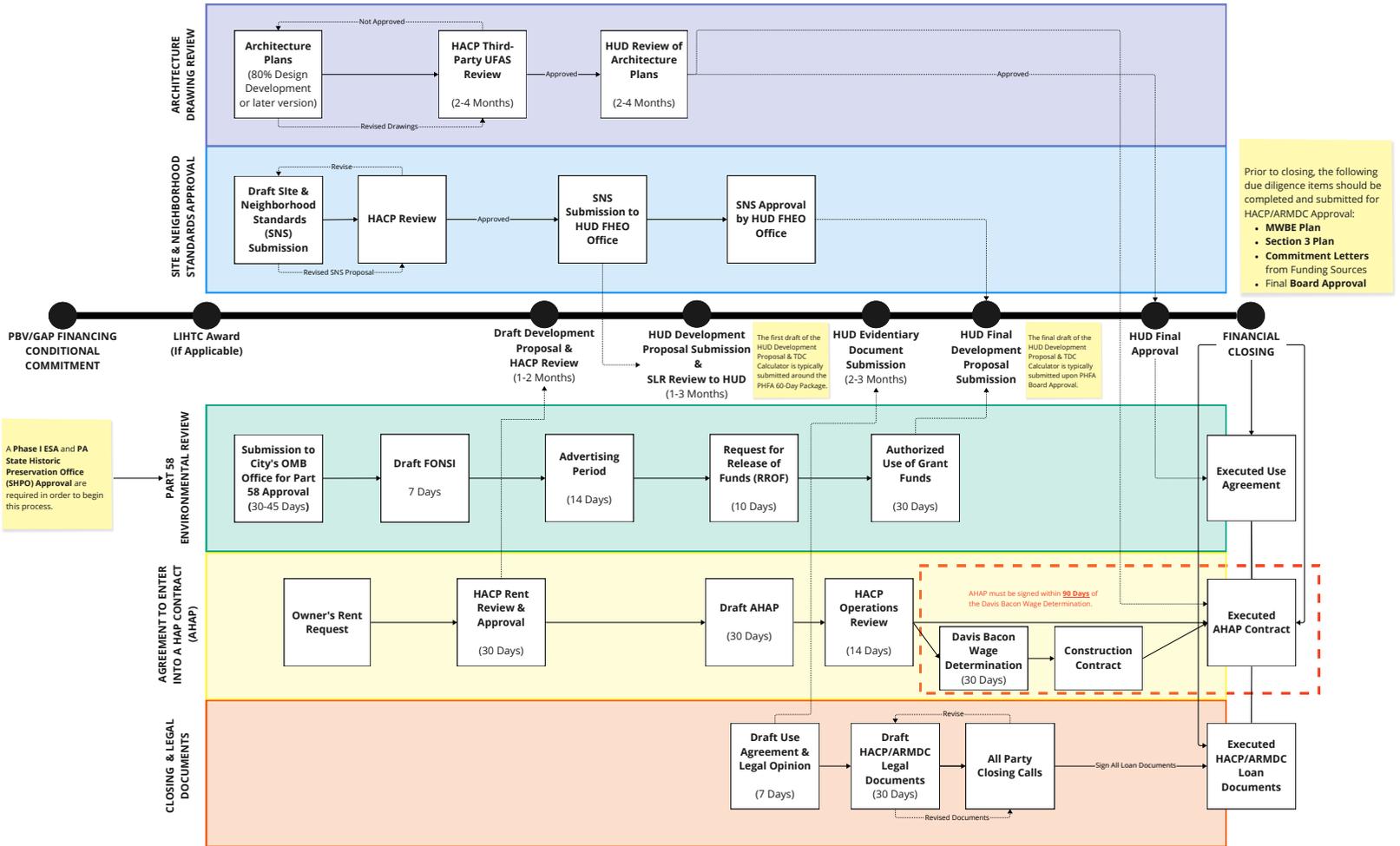
## Cost Control and Safe Harbor Standards

Item	Defining Criteria	Safe Harbor	Maximum
Legal Fees	<ul style="list-style-type: none"> <li>• Largely independent of the size of the phase.</li> <li>• Attorneys should be used for legal functions.</li> <li>• Legal fees should be tied to a scope of work, which should be monitored. HUD will review PHA legal costs when reviewing HOPE VI development budgets.</li> <li>• In order to reduce costs and provide an incentive to reach closing, public housing funds may not be used to pay developer legal costs prior to closing.</li> <li>• HUD intends to produce further guidance on how PHAs should utilize their attorneys.</li> <li>• The procurement regulations state that for any RFP, the PHA must undertake a cost or price analysis prior to receipt of proposals.</li> </ul>	No express limit; public housing funds may not be used to reimburse developer legal counsel prior to closing. All legal costs will be reviewed by HUD.	N/A
Operating Deficit Reserve and Operating Subsidy Reserve	<ul style="list-style-type: none"> <li>• HUD is not establishing maximum or minimum levels of reserves to be maintained, as appropriate reserve levels depend upon the specific project and investor requirements.</li> <li>• Both reserves must be established with non-public housing funds, but may be replenished with public housing funds (i.e., operating subsidy or tenant rents from PHA-assisted units).</li> <li>• <i>If public housing funds are contributed to a reserve at any time, those funds in the reserve must be dedicated to the project or returned to the PHA to be used for eligible purposes.</i></li> <li>• <i>The portion of the reserve funded with public housing funds may not be used to pay for partnership exit taxes, debt repayment, or any other expense that is not an eligible use of public housing funds.</i></li> </ul>	N/A	N/A

**Exhibit E. PBV/Gap Financing Responsibility Matrix & Workflow Chart**  
(See Attached)

# PBV/Gap Financing WorkFlow Chart

Updated: 12/19/2023



**PBV & GAP FINANCING**  
**ESSENTIAL RESPONSIBILITY MATRIX & DUE DILIGENCE CHECKLIST**

Updated: 12/19/2023

**[PROJECT NAME]**

**HACP RFP Award Date:** \_\_\_\_\_

<b>ITEM</b>	<b>% COMPLETION</b>	<b>RESPONSIBLE PARTY</b>	<b>NOTES</b>	<b>Typical Duration</b>	<b>STATUS UPDATE</b>
<b>Issuance of Request for Proposals (RFP) &amp; Evaluation of Proposals</b>		HACP	HACP Internal Process (Typically once a year)	N/A	
<b>Board Resolution Awarding Gap Financing and PBV Assistance</b>		HACP	Conditional Commitment Letter Packet	N/A	
<b>First Priority Items – Time-Consuming and the Most Important Critical Path Items</b>					
<b>HUD Site and Neighborhood Standards (SNS) Approval</b> 1. The developer provides a draft and data for SNS report. 2. HACP reviews/revises/submits the SNS report to HUD Field Office 3. HUD Fair Housing Equal Opportunity Office reviews/approves		Developer/HACP/PA SHPO	The PBV/Gap Financing project cannot secure HUD and HACP's final development approval without HUD's FHEO's approval	<b>3-6 months</b> (Processed on a parallel track with the development proposal approval process)	
<b>PA State Historic Preservation Office (SHPO) Approval</b> 1. The developer works with HACP staff to complete data and reports. 2. HACP submits data and reports to Pennsylvania SHPO 3. SHPO may either approve or request additional reports and documentation (archaeological report, MOU, etc.) or reject the project activity.		Developer/HACP/PA SHPO	SHPO clearance is required before City OMB can start the rest of the Part 58 process.	<b>2-6 months</b>	
<b>HUD Part 58 Approval</b> 1. Phase I Environmental Site Assessment Report (City OMB may require further environmental studies or exempt ESA) 2. PA State Historic Preservation Office (SHPO) Approval 3. HACP submits Environmental Review Request Packet to City OMB 4. FONSI/RROF Public Comment Notice 5. City submits Request for Release of Fund (RROF) to HUD 6. HUD's Approval of RROF		Developer/HACP/ City	Required for (1) <b>HUD Development Proposal</b> and (2) <b>AHAP</b>	<b>4-6 months</b>	

HACP UFAS Design Review/Approval		Developer/HACP Third Party Certifier	HACP tech staff reviews it before the third party certifier's review	2-4 months (including comments/responses/revisions)	
HUD Architectural Design Review/Approval		Developer/HACP/HUD Architects	HUD architect typically starts reviewing the drawings upon receipt of HUD Development Proposal and UFAS plan. However, a special request can be made to review earlier at 80% Design Development.	1-2 months (including comments/responses/revisions)	
<b>Due Diligence Prior to HUD Local Non-Traditional Development Proposal)</b>					
Owner's Initial Contract Rent Request Letter & HACP Rent Review/Approval		Developer/HACP		1 month	
Commitment Letters for All Other Sources		Developer			
<b>HUD Local Non-Traditional Development Proposal &amp; Subsidy Layering Review (SLR)</b>					
HACP/ARMDC's Review Process of Development Proposal Packet must be completed before HACP can submit the packet to HUD Grant Manager				1-2 months	
HUD Review Process of Development Proposal (comments/ responses/ revisions)				1-3 months	
HUD Subsidy Layering Review Request Package (Refer to HUD's SLR Checklist)		Developer/HACP	Required for AHAP and HUD's Final Development Approval	3 months	
Construction and Permanent Sources & Uses & Operating Budget (HUD TDC Workbook)		Developer			
Project Schedule		Developer			
Architectural Plans		Developer			
Construction Draw Schedule		Developer			
HUD Part 58 Approval		Developer/HACP/ City		A proposal can be submitted to HUD once OMB submits RROF.	
HUD Site & Neighborhood Approval		Developer/HACP/ HUD FHEO	A proposal can be submitted to HUD while FHEO reviewing.	(Refer to above)	
Construction Cost Estimate – Schedule of Value		Developer			
Market Study		Developer			

<b>Supportive Services &amp; Excepted Units Plan (If Applicable)</b>		Developer			
<b>There are more components (Refer to HUD Development Proposal and TDC Workbook templates)</b>		Developer/HACP/ARMDC			
<b>HUD Evidentiary Documents</b>					
<b>HUD Review Process of HUD Evidentiary Documents Takes a minimum of 45 days (following HUD OPHI panel's preliminary approval of the Development Proposal Package)</b>				<b>2-3 months</b>	
<b>Note: Additional evidentiary documents will be required by HUD for more complex projects</b>					
<b>Use Agreement</b>		HACP/HUD/ Developer	Reviewed by HUD HQ lawyer		
<b>ALTA Survey</b>		Developer	Reviewed by HUD Field Office lawyer		
<b>Title Commitment and Title Policy Pro Forma</b>		Developer	Reviewed by HUD Field Office lawyer		
<b>Legal Opinion from ARMDC Counsel</b>		HACP	Reviewed by HUD HQ lawyer		
<b>Recording Order</b>		Developer	Reviewed by HUD HQ lawyer		
<b>Other Documents As Requested by HUD</b>		Developer	Assigned HUD Grant Manager coordinates HUD's entire review process with HACP project manager		
<b>Agreement to Enter Into PBV HAP Contract (a/k/a/ AHAP)</b>					
<b>(Site work/construction activities shall not commence until AHAP is fully executed by Owner and HACP)</b>					
<b>Exhibits A – D</b>		Developer/HACP		1 month	
<b>Part 58 Approval</b>		Developer/HACP		Refer to above	
<b>HACP Rent Review/Approval</b>		Developer/HACP			
<b>UFAS Design Approval</b>		Developer/HACP		Refer to above	
<b>Subsidy Layering Approval</b>		Developer/HACP		Refer to above	
<b>HUD Architect's review of Drawings/Project</b>		Developer/HACP		Refer to above	
<b>Other Essential HUD Compliance Matters (in addition to typical financial closing documents)</b>					
<b>Section 3 Employment and Contracting Plan Approval</b>		Developer	HACP/ARMDC will accept URA approval process of plan, as long as, the goal meets ARMDC goals.	2-4 weeks	
<b>MWBE Commitment Plan Approval</b>		Developer	ARMDC goals are 25%	2-4 weeks	

			<p>MBE and 10% WBE.</p> <p>HACP/ARMDC will accept URA approval process of plan, as long as, the goal meets ARMDC goals.</p>		
<b>Davis Bacon Wage Determination before Contractor Bid</b>		Developer/HACP/HUD/DOL	<p>The AHAP must be signed within 90 days of the DB Wage Determination. If the execution is delayed, the DB Wage Determination shall be updated prior to closing.</p>	2-4 weeks	
<b>HACP/ARMDC Resolution before Financial Closing</b>		HACP	Prior to Financial Closing		
<b>HUD Development Approval Letter</b>		HUD	Prior to Financial Closing		
<b>HACP/ARMDC Closing Documents</b>					
<p><b>ARMDC Gap Financing Loan Documents (Additional documents will be required for more complex projects)</b></p> <ul style="list-style-type: none"> <li>• ARMDC Loan Agreement</li> <li>• Open-End Mortgage and Security Agreement</li> <li>• Promissory Note</li> <li>• Completion Guaranty</li> <li>• Others Documents (as required based on project scope)</li> </ul>		ARMDC			
<b>Updated Commitment Letters for All Other Sources</b>		Developer			

# HOUSING AUTHORITY OF THE CITY OF PITTSBURGH

## Request for Proposals For Project-Based Voucher & Gap Financing Program

### ATTACHMENT B

Attachment B is not included within this document. Please refer to our website [www.hacp.org](http://www.hacp.org) and download the file titled:

*“RFP# 600-22-24 - Attachment B – Forms”*

which is a separate document available for download. Attachment B is an Excel document that respondents must fill in and submit with their 2024 RFP and Gap Financing proposal submission.

**HOUSING AUTHORITY OF THE CITY OF PITTSBURGH**

**Request for Proposals  
For  
Project-Based Voucher  
& Gap Financing Program**

**ATTACHMENT C**

**Allegheny Dwellings Choice Neighborhoods Planning Grant Boundary**

**PROJECT-BASED VOUCHER  
AND  
GAP FINANCING PROGRAM**

**Round 9 - 2024**

**Attachment C**

**Allegheny Dwellings Choice Neighborhoods  
Planning Grant Boundary**



Procurement Department  
412 Boulevard of the Allies,  
Pittsburgh, PA 15219  
[www.hacp.org](http://www.hacp.org)

# AD Northside Boundary



AD Northside Boundary

