

WESTERN RESTORATION

Project Narrative

The subject property is situated on a former Tuberculosis Hospital site located in Pittsburgh's Hill District. The buildings are currently owned by the Urban Redevelopment Authority (URA) of Pittsburgh. The redevelopment will include acquisition and the adaptive reuse of 3 buildings into senior housing. The property is eligible for federal rehab historic tax credit program.

There will be a total of 24 one-bedroom units of which 10 one-bedroom apartments which will be compliant with Uniform Federal Accessibility Standards (UFAS). Upon completion of the renovation, all 24 units will be affordable to households with incomes up to 60% of the area median adjusted for household size. The developer received a contingent award from the Housing Authority of the City of Pittsburgh (HACP) for a 20-year Project Based Section 8 contract to subsidize the Western Restoration residents. Fifteen of the 24 units have been awarded Project Based Section 8 Vouchers (PBS8V). PBS8V for the remaining 9 units have been applied for (on February 9, 2018) through the HACP's Request for Proposals (RFP). The request for the additional 9 PBV units has been discussed with the HACP, and their feedback has been positive.

Building 1 has a combined total gross square footage of 14,370 square feet (4,790 square feet per floor). Building 2 has gross square footage of 3,312 and Building 3 has a combined total gross square footage of 6,464 (2,156 square feet per floor). Building 1 will consist of 13 total apartments; 3 units on the lower level, 5 units on the first floor, and 5 units on the second floor. Building 2 will consist of 5 units. Building 3 will consist of 6 total apartments; 3 on the first floor and 3 on the second floor. The rehabilitation construction includes upgrade of all common areas including parking lots and sidewalks, common area lighting, apartment kitchens and bathrooms.

Additionally, an adult day center operation will be located on the first floor of the existing Millions Manor facility which will provide services to promote independent living for Western Restoration residents as well as the nearby residents living at the adjacent Christopher A. Smith; Millions Manor; and Western Manor senior apartment buildings. Planned services will include case management, light housekeeping, laundry and meal preparation. Millions Manor and Western Restoration, L.P. will enter into a master lease for the commercial space on the first floor of the existing Millions Manor.

The redevelopment plan includes on-site parking and separate entrances for the residents and each commercial user. The landlord will pay heating, hot water, sewage and common area maintenance.

The estimated project cost is \$6.7 million. The permanent financing plan will require approximately \$1,855,579 permanent first mortgage, \$2,390,000 in low income housing tax credit equity, \$1,018,442 in HTC equity (Lease Pass-through model), Local Gap HACP debt of \$1,312,500 and seller note of \$100,000. Though the financing plan will restrict occupancy to households with incomes up to 60% of area median income, Project-Based Section 8 rental assistance has been awarded through HACP to ensure long-term rental affordability. As such, it is expected that the income levels of the residents will typically be below that restriction.