MIXED-INCOME APARTMENTS
DEVELOPMENT TEAM

Steel Street Capital Partners, LLC
Developer

Oxford Development Company
Developer & Project Manager

WTW Architects
Architecture and Engineering

Rycon Construction Inc.
General Contractor & CM

Langan Engineering
Site Civil Engineering

IAMS
MEP Engineering

Taylor Structural
Structural Engineering
<table>
<thead>
<tr>
<th><strong>BY THE NUMBERS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>7</strong></td>
</tr>
<tr>
<td>Floors</td>
</tr>
<tr>
<td><strong>180</strong></td>
</tr>
<tr>
<td>Construction Jobs</td>
</tr>
<tr>
<td><strong>137,000</strong></td>
</tr>
<tr>
<td>RSF</td>
</tr>
<tr>
<td><strong>220</strong></td>
</tr>
<tr>
<td>Residential Units</td>
</tr>
<tr>
<td><strong>139</strong></td>
</tr>
<tr>
<td>Parking Spaces</td>
</tr>
<tr>
<td><strong>$8,204</strong></td>
</tr>
<tr>
<td>Current School Tax Revenue</td>
</tr>
</tbody>
</table>
October 2016
Opportunity Identified

February 2018
ZDR Application Filed

March 2018
Initial Presentation to Riverlife and Strip District Neighbors

December 2017 – March 2019
Finalized Affordability Program

March 2019
Certificate of Occupancy Issued

November 2019
Groundbreaking
COMMUNITY ENGAGEMENT

- Allegheny County
- Pittsburgh Public Schools
- URA (Urban Redevelopment Authority of Pittsburgh)
- Riverlife
- Strip District
- DOMI
- CDAP
- Pittsburgh Planning
- Zoning
SUSTAINABILITY & PUBLIC SPACE

- Targeting Minimum LEED V4 Silver
JUSTIFICATION FOR LERTA
PROJECT CHALLENGES

- Narrow Site
- Riverfront Setback Requirements
- Higher Construction Cost Environment
- Environmental Contaminants
- Floodplain Development
- Failing Infrastructure
- Voluntary Mixed-Income Housing
- Structured Parking
JUSTIFICATION FOR LERTA

• The Project Is Not Economically Feasible and Cannot Proceed without this Tax Abatement
  • Project Hard Costs are $39,595,654
  • Estimated Assessed Value at Completion is $28,820,000
  • Estimated Gap of $10,775,654 is Bridged by
    • Investments by Mission-Driven Investors with Lower-than-Market Yield Requirements
    • Low-Interest Rate Community Loan
    • LERTA Tax Benefit
JUSTIFICATION FOR LERTA
MIXED-INCOME HOUSING

• Income-Restricted Housing Units
  • **33 Units** (15% of Total Unit Count) shall be Income-Restricted Affordable Housing Units
  • All Incomes will be based on the HUD-published Area Median Income
  • Income-Restricted Units will be Identical to Market-Rate Units in Quality and will be distributed across Units Types
### Income-Restricted Rental Rate Comparison (2019 Dollars)

<table>
<thead>
<tr>
<th></th>
<th>65% AMI</th>
<th>85% AMI</th>
<th>Market Rate</th>
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<tbody>
<tr>
<td></td>
<td>Rent</td>
<td>Discount</td>
<td>Rent</td>
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<tr>
<td>Studio</td>
<td>$865</td>
<td>43.0%</td>
<td>$1,131</td>
</tr>
<tr>
<td>1-bed</td>
<td>$987</td>
<td>46.7%</td>
<td>$1,291</td>
</tr>
</tbody>
</table>

### Income Levels (2019 Dollars)

<table>
<thead>
<tr>
<th></th>
<th>65% AMI</th>
<th>85% AMI</th>
<th>Market Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Max. Income †</td>
<td>Max. Income †</td>
<td>Income ‡</td>
</tr>
<tr>
<td>Studio</td>
<td>$35,924</td>
<td>$46,568</td>
<td>$58,660</td>
</tr>
<tr>
<td>1-bed</td>
<td>$41,010</td>
<td>$53,161</td>
<td>$71,588</td>
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</tbody>
</table>

† – Includes a 2.5% income variation allowance.
‡ – Assumes a 30% cost burden.
JUSTIFICATION FOR LERTA
MIXED-INCOME HOUSING

• Escalator to Success
  • By dividing the Units into Two Pools at Different Income Levels, Residents can grow into a Higher Income Segment without Losing their Housing
  • Segment 1: 11 Units (5%)
    • 65% AMI
    • 30% Cost Burden
  • Segment 2: 22 Units (10%)
    • 85% AMI
    • 30% Cost Burden

• Avg. Income-Restricted Rent: $1,136
• Avg. Market-Rate Rent: $1,646

1Based on 2018 Pittsburgh MSA HUD Income Limits
JUSTIFICATION FOR LERTA

REVENUE ANALYSIS

• Without LERTA, the Project Cannot Move Forward and the School District Will Receive Property Tax Revenue$2 of:
  • Years 1-10$1: $18,359 Avg. Per Year
  • Year 11+: $19,354 Per Year

• With LERTA, the Project can move Forward and the School District will receive Property Tax Revenue$3 of:
  • LERTA Abatement Period$1: $82,677 Avg. Per Year
  • Post-LERTA: $305,394 Per Year

• Additionally during the LERTA Abatement Period the School District is projected to receive $1,129,141 in Earned Income Tax Revenue$4

• The Owners commit to Payment of Transfer Taxes upon Sale of Property

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1: Based on current millage rates and a 3% increase every 3 years thereafter.
2: Assumed assessment of $1.8 MM.
3: Assumed assessment of $28.8 MM.
4: Assumed 2.0% annual wage growth.
## SCHOOL DISTRICT REVENUE IMPACT

<table>
<thead>
<tr>
<th>LERTA Comparison</th>
<th>Projected</th>
<th>Existing†</th>
<th>Net Benefit</th>
</tr>
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<tbody>
<tr>
<td>Year</td>
<td>Net Property Taxes</td>
<td>Net Property Taxes</td>
<td>School Benefit</td>
</tr>
<tr>
<td>1</td>
<td>$ 33,589</td>
<td>$ 17,712</td>
<td>$ 15,877</td>
</tr>
<tr>
<td>2</td>
<td>33,589</td>
<td>17,712</td>
<td>15,877</td>
</tr>
<tr>
<td>3</td>
<td>44,300</td>
<td>17,712</td>
<td>26,588</td>
</tr>
<tr>
<td>4</td>
<td>51,389</td>
<td>18,243</td>
<td>33,146</td>
</tr>
<tr>
<td>5</td>
<td>77,977</td>
<td>18,243</td>
<td>59,734</td>
</tr>
<tr>
<td>6</td>
<td>77,977</td>
<td>18,243</td>
<td>59,734</td>
</tr>
<tr>
<td>7</td>
<td>111,832</td>
<td>18,791</td>
<td>93,041</td>
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<tr>
<td>8</td>
<td>111,832</td>
<td>18,791</td>
<td>93,041</td>
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<tr>
<td>9</td>
<td>138,419</td>
<td>18,791</td>
<td>119,629</td>
</tr>
<tr>
<td>10</td>
<td>145,868</td>
<td>19,354</td>
<td>126,514</td>
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<tr>
<td><strong>10-Year Total</strong></td>
<td><strong>$ 826,772</strong></td>
<td><strong>$ 183,592</strong></td>
<td><strong>$ 643,179</strong></td>
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<tr>
<td><strong>Year 11</strong></td>
<td><strong>$ 305,394</strong></td>
<td><strong>$ 19,354</strong></td>
<td><strong>$ 286,040</strong></td>
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<tr>
<td><strong>Years 11-20</strong></td>
<td><strong>$ 3,222,177</strong></td>
<td><strong>$ 204,206</strong></td>
<td><strong>$ 3,017,971</strong></td>
</tr>
</tbody>
</table>

† Assumes reassessment of land to purchase price.
OPEN DISCUSSION