

PHILADELPHIA REDEVELOPMENT AUTHORITY

**1234 MARKET STREET, 16TH FLOOR
PHILADELPHIA, PA 19107**

**BOARD MEETING
WEDNESDAY, OCTOBER 16, 2019**

Open Session – 4:00 P.M.

A G E N D A

APPROVAL OF BOARD MINUTES

Meeting of September 11, 2019

I. EXECUTIVE DIRECTOR'S REPORT

II. ADMINISTRATIVE

- (a) 400 North Broad Street
IEI Group, Ltd.
Furniture, Fixtures and Equipment and Relocation Services
**Amendment to Resolution No. 2019-49, Adopted
July 10, 2019**
- (b) 8th & Diamond Recreation Center
The Pennsylvania Horticultural Society
Contract for Professional Services

III. DEVELOPMENT

- (a) Model Cities Urban Renewal Area
99 Real Estate, LLC
1532 N. Marshall Street and
1543 N. 7th Street
Selection of Redeveloper
- (b) Parcel No. 4 (35-51 E. Woodlawn Street)
Philadelphia Authority for Industrial
Development
Certificate of Completion

AGENDA

Board Meeting of October 16, 2019

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- (c) Point Breeze Urban Renewal Area
Eighth Amended Redevelopment Proposal
Eighth Amended Urban Renewal Plan

IV. HOUSING FINANCE

- (a) Dauphin House
1400 Dauphin Associates, LLC
1412-26 W. Dauphin Street
Non-Recourse Construction/Permanent Loan

- (b) Norris Homes Phase V
Rose Norris Homes, LLC
1900-54 N. 10th Street
Non-Recourse Construction/Permanent Loan

V. REAL ESTATE

Department of Public Property
5107, 5109, 5111, 5113, 5121, 5123 and
5125 Market Street
Rescinding Resolution No. 2019-60

PHILADELPHIA REDEVELOPMENT AUTHORITY

BOARD MEETING MINUTES

A meeting of the Board of Directors of the Philadelphia Redevelopment Authority was held on Wednesday, September 11, 2019, commencing at 4:13 P.M., in the offices of the Philadelphia Redevelopment Authority, being its regular meeting place, 16th floor, 1234 Market Street, Philadelphia, Pennsylvania, pursuant to proper notices.

ROLL CALL

The following members of the Board of Directors reported present: James Cuorato, Vice Chair; Rob Dubow, Treasurer; Maria Duque-Buckley, 2nd Vice Chair and Assistant Secretary.

The following members of the Board of Directors not present: Anne Fadullon, Chair; and Duane Bumb, Secretary.

The following members of the Authority staff were present: Gregory Heller, Ryan D. Harmon, Esquire, Antonio Burrell, Esquire, Angel Rodriguez, Karanja Slaughter, Tracy Pinson-Riviere, Zena Holland, Brian Romano, and Nia Turner.

Also in attendance: Peilin Chen, City Finance Department; Jamila Davis, DHCD; and Vic Szwanki, KML Carpenters Local 158.

ANNOUNCEMENTS

None.



MINUTES

Mr. Cuorato called for a motion to approve the minutes of the Board meeting of August 14, 2019.

Upon motion made and duly seconded, the minutes of August 14, 2019 were approved.



EXECUTIVE DIRECTOR'S REPORT

None.



ADMINISTRATIVE

Mr. Harmon presented "Item II – Amendment to Resolution No. 2016-132, Adopted December 14, 2016 – Credit Enhancement Facility for Workforce Housing Construction Loans" in substance consistent with the attached Fact Sheet hereto.

Additional Comments and Discussion

Mr. Heller stated that that the expansion of the credit enhancement facility ("CEF") will foster the increased development of homeownership workforce housing units in the City, all without the Authority having to outlay funds unless the guaranty is exercised against the Authority.

Mr. Dubow asked whether there was a limit on the CEF. Mr. Harmon stated that the current limit of available funds is One Million Dollars (\$1,000,000). Mr. Heller stated that the Authority could seek authorization in the future to increase that cap if those funds become committed.

Mr. Szwanki asked whether any Philadelphia Housing Authority ("PHA") projects that could ultimately be supported by the CEF would require payment of prevailing wages. Mr. Heller responded that the CEF does not, in itself, trigger prevailing wage requirements; rather, those requirements may be triggered by the underlying PHA project itself. Mr. Szwanki then asked who he could speak with at PHA regarding the underlying projects. Mr. Cuorato stated that Mr. Szwanki could contact George McDowell at PHA.

Board Action

Ms. Cuorato called for a motion on the resolution. Upon motion made and duly seconded, the resolution was approved as follows:

RESOLUTION NO. 2019-62

RESOLUTION AUTHORIZING AN AMENDMENT TO RESOLUTION NO. 2016-132, ADOPTED DECEMBER 14, 2016, EXPANDING THE AVAILABILITY OF THE PHILADELPHIA REDEVELOPMENT AUTHORITY'S CREDIT ENHANCEMENT FACILITY FOR WORKFORCE HOUSING CONSTRUCTION LOANS

WHEREAS, pursuant to Resolution No. 2016-132, adopted December 14, 2016, the Authority Board approved a Credit Enhancement Facility ("CEF") for Workforce Housing ("WFH") construction loans made to developers who are awarded land through the Philadelphia Land Bank's ("Land Bank") WFH Requests for Proposals ("RFPs").

WHEREAS, the CEF provides to financial institutions up to a 25% guarantee on WFH construction loans made to developers who are awarded land through the Land Bank's WFH RFPs.

WHEREAS, the Board is now requested to authorize a resolution amending Resolution No. 2016-132, adopted December 14, 2016, enabling the Authority to expand the CEF for WFH construction loans to sites that either entirely or partially include land purchased from Authority, the Philadelphia Department of Public Property ("DPP"), the Philadelphia Housing Development Corporation ("PHDC") and/or the Philadelphia Housing Authority ("PHA").

NOW THEREFORE, BE IT RESOLVED, by the Philadelphia Redevelopment Authority, that Resolution No. 2016-132, adopted December 14, 2016, is hereby amended to enable the Authority to expand the CEF for WFH construction loans to sites that either entirely or partially include land purchased from Authority, DPP, PHDC and/or PHA.

FURTHER RESOLVING, the preparation of all documentation necessary to carry out the foregoing in form and substance acceptable to the Executive Director and General Counsel.

FURTHER RESOLVING, that the Executive Director, with the advice of General Counsel, may allow modifications to the Resolution necessary or desirable to carry out its purposes and intents.

Voting for the foregoing resolution: Mr. Cuorato, Ms. Duque-Buckley and Mr. Dubow.



DEVELOPMENT

Ms. Pinson-Reviere presented "Item III (a) – Selection of Redeveloper and Non-Amortizing Loan with Joel Rojas" in substance consistent with the attached Fact Sheet hereto.

Board Action

Mr. Cuorato called for a motion on the resolution. Upon motion made and duly seconded, the resolution was approved as follows:

RESOLUTION NO. 2019-63

RESOLUTION SELECTING JOEL ROJAS AS REDEVELOPER OF 2035 E. BIRCH STREET LOCATED WITHIN THE KENSINGTON NORTH OF LEHIGH REDEVELOPMENT AREA AND APPROVING A NON-AMORTIZING LOAN FOR THE DISPOSITION PRICE

BE IT RESOLVED, by the Philadelphia Redevelopment Authority, that Joel Rojas is hereby selected as Redeveloper of 2035 E. Birch Street, located within the Kensington North of Leigh Redevelopment Area, and approval is hereby given to the Redevelopment Contract and the proposed method of disposition as most appropriate and prudent under the law and circumstances;

approving a disposition price of Twenty-Five Thousand Dollars (\$25,000.00); determining that the Redeveloper possesses the qualifications and financial resources necessary to acquire and develop the property in accordance with the Redeveloper's approved plans; further authorizing the execution, delivery and recording of the Redevelopment Contract and a Deed for the property and the preparation of all other documentation necessary or desirable in order to carry out the foregoing, and to obtain the appropriate councilmanic action.

BE IT FURTHER RESOLVED, that the Philadelphia Redevelopment Authority will provide a non-amortizing loan in the amount of Twenty-Five Thousand Dollars (\$25,000.00), for a term of thirty (30) years at 0% interest, that will be secured by a mortgage on the property. The amount of the obligation will remain consistent for the thirty (30) year period that the buyer remains in compliance with the Authority's Land Disposition Policy.

FURTHER RESOLVING, that the Executive Director, with the advice of General Counsel, may allow modifications to the Resolution necessary or desirable to carry out its purposes and intents.

Voting for the foregoing resolution: Mr. Cuorato, Ms. Duque-Buckley and Mr. Dubow.



Mr. Romano presented "Item III (b) – Selection of Redeveloper, Community Justice Land Trust" in substance consistent with the attached Fact Sheet hereto.

Additional Comments and Discussion

Mr. Romano confirmed that the redevelopment of these properties was not being financed with Low Income Housing Tax Credits, and that these properties are for a home ownership development project. Mr. Romano further explained that the adjacent Mamie Nichols Townhomes project by the same developer did receive tax credits.

Board Action

Mr. Cuorato called for a motion on the resolution. Upon motion made and duly seconded, the resolution was approved as follows:

RESOLUTION NO. 2019-64

RESOLUTION SELECTING COMMUNITY JUSTICE LAND TRUST AS REDEVELOPER OF 1324-1332 S. CAPITOL STREET LOCATED IN THE POINT BREEZE REDEVELOPMENT AREA, POINT BREEZE URBAN RENEWAL AREA

BE IT RESOLVED, by the Philadelphia Redevelopment Authority, that Community Justice Land Trust is hereby selected as Redeveloper of 1324-32 S. Capitol Street located in the Point Breeze Redevelopment Area, Point Breeze Urban Renewal Area, and approval is hereby given to the Redevelopment Contract and the proposed method of disposition as most appropriate and prudent under the law and circumstances; approving a nominal disposition price of Five Dollars (\$5.00); determining that the Redeveloper possesses the qualifications and financial resources necessary to acquire and develop the property in accordance with the Redeveloper's approved plans; further authorizing the execution, delivery and recording of the Redevelopment Contract and a Deed for the property and the preparation of all other documentation necessary or desirable in order to carry out the foregoing, and to obtain the appropriate councilmanic action.

FURTHER RESOLVING, that the Executive Director, with the advice of General Counsel, may allow modifications to the Resolution necessary or desirable to carry out its purposes and intents.

Voting for the foregoing resolution: Mr. Cuorato, Ms. Duque-Buckley and Mr. Dubow.



Mr. Romano presented "Item III (c) – Amendatory Agreement with 435 Master Street, L.P." in substance consistent with the attached Fact Sheet hereto.

Board Action

Mr. Cuorato called for a motion on the resolution. Upon motion made and duly seconded, the resolution was approved as follows:

RESOLUTION NO. 2019-65

RESOLUTION AUTHORIZING THE FIRST AMENDMENT TO THAT CERTAIN LEASE AND REDEVELOPMENT AGREEMENT WITH 435 MASTER STREET, L.P., LOCATED IN THE NORTH PHILADLEPHIA REDEVELOPMENT AREA, MODEL CITIES URBAN RENEWAL AREA

WHEREAS, the Philadelphia Redevelopment Authority ("Authority") is the current owner of the premises located at 427-435 Master Street (the "Master Street Premises")

WHEREAS, the Umbrella Factory, L.P. is the owner of the Premises located at 1401-1425 N. 5th Street (the "5th Street Premises")

WHEREAS, the Master Street Premises and the 5th Street Premises are neighboring properties;

WHEREAS, Pursuant to Resolution No. 2015-146, adopted on December 9, 2015, as modified by Resolution No. 2017-19, adopted March 8, 2017, the Board approved a Lease Agreement ("Lease") for the Master Street Premises and a Redevelopment Agreement (the "Redevelopment Agreement") for the Master Street Premises and 5th Street Premises with 435 Master Street, L.P. ("Redeveloper");

WHEREAS, Core Realty Inc. ("Core") is the Managing Member of Redeveloper;

WHEREAS, Redeveloper is subleasing the Master Street Premises to Core which is permitted under the Lease;

WHEREAS, Core developed the Master Street Properties into a parking lot to serve the tenants at the 5th Street Premises and was able to create more parking spaces on the Master Street Premises than was provided on the plans attached to the Redevelopment Agreement.

NOW THEREFORE, BE IT RESOLVED, by the Philadelphia Redevelopment Authority, that the Authority is authorized to enter into an Amendment to the Redevelopment Agreement and Lease with Redeveloper to provide:

1. An increase in parking spaces from the fifty-five (55) originally proposed to sixty-four (64) total spaces; and
2. As a condition of such Amendment, a plan modification fee in the amount of Three Thousand Dollars (\$3,000.00) shall be paid by Redeveloper.

FURTHER RESOLVING, the preparation, execution and delivery of all documentation necessary to carry out the foregoing in form and substance acceptable to the Executive Director and General Counsel

FURTHER RESOLVING, that the Executive Director, with the advice of General Counsel, may allow modifications to the Resolution necessary or desirable to carry out its purposes and intents.

Voting for the foregoing resolution: Mr. Cuorato, Ms. Duque-Buckley and Mr. Dubow.



Mr. Romano presented "Item III (d) – Release of Redevelopment Agreement and Certain Deed Covenants with Advocate Community Development Corporation" in substance consistent with the attached Fact Sheet hereto"

Board Action

Mr. Cuorato called for a motion on the resolution. Upon motion made and duly seconded, the resolution was approved as follows:

RESOLUTION NO. 2019-66

RESOLUTION AUTHORIZING THE RELEASE OF A REDEVELOPMENT AGREEMENT AND CERTAIN DEED RESTRICTIONS CONTAINED IN THE DEED FOR 2004-2010 N. 17th STREET AND 2133 N. GRATZ STREET

BE IT RESOLVED, by the Philadelphia Redevelopment Authority, that in accordance with the attached Fact Sheet, the Redevelopment Agreement between the Authority and Advocate Community Development Corporation dated July 10, 1991, and certain covenants contained in the deed dated July 10, 1991, may be released from 2004-2010 N. 17th Street and 2133 N. Gratz Street (together, the "Property").

FURTHER AUTHORIZING, the preparation, execution, and delivery of a Release for the Property and all other documentation necessary in order to carry out the foregoing in form and substance acceptable to the Executive Director and General Counsel.

FURTHER RESOLVING, that the Executive Director, with the advice of General Counsel, may allow modifications to the Resolution necessary or desirable to carry out its purposes and intents.

Voting for the foregoing resolution Mr. Cuorato, Ms. Duque-Buckley and Mr. Dubow.



Item III (e) was tabled at this time because the Redeveloper did not provide the Authority with all the necessary Economic Opportunity Plan paperwork to have it properly monitored and the Fine Arts requirement was not satisfied.



Mr. Romano presented "Item III (f) – Amendatory Agreement with Venango Court LLC" in substance consistent with the attached Fact Sheet hereto.

Additional Comments and Discussion

Mr. Cuorato asked whether the redeveloper has resolved issues with the City of Philadelphia Department of Licenses and Inspection. Mr. Romano confirmed that the redeveloper has resolved issues with the Department of Licenses and Inspection.

Board Action

Mr. Cuorato called for a motion on the resolution. Upon motion made and duly seconded, the resolution was approved as follows:

RESOLUTION NO. 2019-67

RESOLUTION AUTHORIZING THE FIRST AMENDMENT TO THE REDEVELOPMENT AGREEMENT WITH VENANGO COURT LLC AS REDEVELOPER OF 1621-31 W. VENANGO STREET LOCATED IN THE TIOGA REDEVELOPMENT AREA, CENTRAL TIOGA URBAN RENEWAL AREA

WHEREAS, Pursuant to Resolution No. 2016-136 adopted on December 14, 2016, the Board authorized the selection of Venango Court LLC ("Redeveloper") for the development of 1621-31 W. Venango Street (the "Properties") into ten (10) triplexes, each containing three (3) market rate rental units;

WHEREAS, Redeveloper and Authority executed a Redevelopment Agreement dated November 30, 2016 ("Redevelopment Agreement") for the Properties;

WHEREAS, Pursuant to Resolution No. 2017-11, adopted on February 8, 2017, the Board approved a change in the plans to include the development of nine (9) triplexes and one (1) mixed-use duplex containing two (2) market rate rental units above ground floor commercial space;

WHEREAS, Redeveloper took title to the Properties on September 20, 2017;

WHEREAS, Redeveloper claims that it has not been able to complete the second phase of the development because of issues with the Philadelphia Water Department and L&I that were out of Redeveloper's control;

WHEREAS, Redeveloper has requested an extension of time to complete construction.

NOW THEREFORE, BE IT RESOLVED, by the Philadelphia Redevelopment Authority, that the Authority is authorized to enter into an Amendment to Redevelopment Agreement with Redeveloper to provide for:

1. Extension the construction completion date to June 30, 2020; and
2. Payment of a service fee in the amount of Seven Hundred Twenty Dollars (\$720).

FURTHER RESOLVING, the preparation, execution and delivery of all documentation necessary to carry out the foregoing in form and substance acceptable to the Executive Director and General Counsel

FURTHER RESOLVING, that the Executive Director, with the advice of General Counsel, may allow modifications to the Resolution necessary or desirable to carry out its purposes and intents.

Voting for the foregoing resolution: Mr. Cuorato, Ms. Duque-Buckley and Mr. Dubow.



HOUSING FINANCE

Ms. Holland presented "Item IV – New Financing and Modification of Existing Loans to Targeted Neighborhood Initiative Limited Partnership and TNI 2 Limited Partnership" in substance consistent with the attached Fact Sheet hereto.

Additional Comments and Discussion

Ms. Buckley abstained from voting due to a conflict of interest.

Board Action

Mr. Cuorato called for a motion on the resolution. Upon motion made and duly seconded, the resolution was approved as follows:

RESOLUTION NO. 2019-68

RESOLUTION AUTHORIZING THE AUTHORITY TO ENTER INTO A NON-RECOURSE CONSTRUCTION PERMENANT LOAN WITH LILLIA CRIPPEN LIMITED PARTNERSHIP AND TO PERMIT EXISTING AUTHORITY DEBT TO BE RESTRUCTURED UNDER NEW TERMS AND CONDITIONS

WHEREAS, in 1998, the Philadelphia Redevelopment Authority ("Authority") provided financing to Targeted Neighborhood Initiative Limited Partnership in the aggregate amount of One Million One Hundred and Seventy-Two Thousand Four-Hundred and Eighty-Seven Dollars

(\$1,172,487) ("Lillia Crippen I Loan"). The proceeds of the Lillia Crippen I Loan provided for the new construction of twenty-six (26) units of permanent rental housing for low income residents ("Lillia Crippen I Project") located at 1826-1850 North 6th Street ("Lillia Crippen I Properties"); and

WHEREAS, the Lillia Crippen I Loan is evidenced by two (2) notes in the respective amounts of Two-Hundred Sixty Thousand Dollars (\$260,000) and Nine Hundred Twelve Thousand Four-Hundred and Eighty-Seven Dollars (\$912,487) payable to the Authority and secured by two (2) mortgages on the Lillia Crippen I Properties; and

WHEREAS, in 2001, the Authority provided financing to TNI 2 Limited Partnership in the amount of One Million Six Hundred Thirty Two Thousand Six-Hundred and Twenty-Five Dollars (\$1,632,625) ("Lillia Crippen II Loan") for the new construction of twenty (20) units of permanent rental housing for low income residents ("Lillia Crippen II Project") located at 1802, 1804, 1806, 1808, 1810, 1812, 1814, 1816, 1818 North 6th Street, 601, 603, 607, 609, 611, 613, 615, 617, 619, 621, 623 West Montgomery Avenue, 608, 610, 612, 614, West Wilt Street, and 1803, 1805, 1807, 1809, 1811, 1813, 1815, 1817, 1819 North Marshall Street ("Lillia Crippen II Properties"); and

WHEREAS, the Lillia Crippen II Loan is evidenced by a note payable to the Authority and secured by a mortgage on the Lillia Crippen II Properties; and

WHEREAS, Women's Community Revitalization Project ("WCRP"), the sponsor of the Lillia Crippen I Project and Lillia Crippen II Project (collectively, the "Projects"), has developed a preservation plan to combine the Projects into a single forty-six (46) unit project ("Lillia Crippen Preservation Development") under one owner Lillia Crippen Limited Partnership ("LC LP"); and

WHEREAS, LC LP will make capital improvements to the Projects and maintain the units as low-income housing for an additional thirty -seven (37) years; and

WHEREAS, to finance the Lillia Crippen Preservation Development, WCRP applied and received from the Pennsylvania Housing Finance Agency ("PHFA") four percent (4%) low income housing tax credit/tax exempt bonds and PHFA Pennsylvania Housing and Rehabilitation Enhancement Funds ("PHARE"). In addition, WCRP received a financing commitment from the Division of Housing and Community Development in the amount of One Million Four Hundred Forty Thousand Dollars (\$1,440,000) ("New Financing"); and

WHEREAS, WCRP has requested the Authority consent to transfer the Projects and for LC LP to assume the Lillia I Crippen Loan and Lillia Crippen II Loan upon the same terms as the New Financing; and

WHEREAS, LC LP has requested the Authority to forgive a portion of the accrued interest and to allow LC LP to assume the balance of the Lillian Crippen I Loan and the Lillian Crippen II Loan in the amount of Two Million Nine Hundred Twenty-Nine Thousand Six-Hundred and Sixteen Dollars (\$2,929,616) ("Assumed Debt"); and

NOW THEREFORE, BE IT RESOLVED, by the Philadelphia Redevelopment Authority ("Authority"), that the Authority is authorized to take the following actions:

The Board is asked to consent to the following:

- Permit the transfer of the Lillia Crippen I Properties and Lillia Crippen II Properties to LC LP;
- Permit forgiveness of a portion of accrued interest;
- Permit the assumption by LC LP of Assumed Debt;
- The Authority will provide a non-recourse construction/permanent loan in the amount of Four Million Three Hundred Sixty-Nine Thousand Six-Hundred and Sixteen Dollars (\$4,369,616) ("Authority Loan") with LC LP consisting of New Financing and Assumed Debt. The proceeds of the Authority Loan will be used for the preservation of forty-six (46) units of affordable housing for families located on the Lillia Crippen I Properties and Lillia Crippen II Properties. Upon completion, the units will target households at or below sixty (60%) percent of Area Median Income;
- The term of the Authority Loan will be for thirty-seven (37) years at one (1%) percent interest. During the Authority Loan term, no principal or interest will be required to be paid. The entire balance will be due and payable in thirty-seven (37) years; and
- The Authority Loan will be secured by a fourth lien position behind construction financing provided by Citizens Bank, PHFA PHARE Funds and PHFA PennHOMES Funds. Upon payment of the construction loan, the Authority Loan will remain in a fourth lien position behind permanent financing that will be provided by Community Lenders Community Development Corporation.

FURTHER AUTHORIZING, the preparation, execution, and delivery of all documentation necessary to carry out the foregoing in form and substance acceptable to the Executive Director and General Counsel.

FURTHER AUTHORIZING, that the Executive Director, with the advice of General Counsel, may allow modifications to the Resolution necessary or desirable to carry out its purposes and intents.

Voting for the foregoing resolution: Mr. Cuorato and Mr. Dubow.

One (1) abstention: Ms. Duque-Buckley.



OLD BUSINESS

Mr. Cuorato inquired if there was any old business for the Board. No old business was presented to the Board.



NEW BUSINESS

Mr. Cuorato inquired if there was any new business for the Board. Mr. Harmon introduced the new staff attorney, Antonio Burrell to the Board and staff. Mr. Cuorato welcomed Mr. Burrell and wished him all the best.



ADJOURNMENT

There being no further business to come before the Board, Mr. Cuorato declared the meeting adjourned at 4:35 P.M.

SECRETARY TO THE BOARD



BOARD FACTSHEET

Meeting of September 11, 2019

Amendment to Resolution No. 2016-132, Adopted December 14, 2016
Amendment to Credit Enhancement Facility Guidelines Related to
Workforce Housing Construction Loans

REQUEST: The Board is requested to authorize a resolution amending Resolution No. 2016-132, adopted December 14, 2016, enabling the Philadelphia Redevelopment Authority ("Authority") to expand the Credit Enhancement Facility ("CEF") for Workforce Housing ("WFH") construction loans to sites that either entirely or partially include land purchased from Authority, the Philadelphia Department of Public Property ("DPP"), the Philadelphia Housing Development Corporation ("PHDC") and/or the Philadelphia Housing Authority ("PHA"). Currently, the CEF is only available to developers who are awarded land through the Philadelphia Land Bank's ("Land Bank") WFH Requests for Proposals ("RFPs").

OVERVIEW: Pursuant to Resolution No. 2016-132, adopted December 14, 2016, the Authority Board approved the CEF for WFH construction loans. The CEF provides to financial institutions up to a 25% guarantee on WFH construction loans made to developers who are awarded land through the Land Bank's WFH RFPs. The CEF facility is essentially a letter of credit to reduce financial institutions' exposure that in case of default will serve as a first-loss fund.

BACKGROUND: The WFH program seeks to make land available for housing development that is affordable to moderate income households. The goal of the WFH program is to facilitate the development of homeownership family-style WFH units that will only be sold to buyers whose household income is under 120% of Area Median Income ("AMI"). Completed units will be restricted to sales prices at a level deemed affordable by PHDC to households with incomes at or below 120% of AMI, and the affordability of the units shall be maintained for a minimum of ten years through a restrictive covenant. If the home is sold, transferred, conveyed or otherwise disposed of during the ten (10) year affordability period, the affordability period will be renewed at each subsequent sale until the expiration of a period of thirty (30) years from the beginning of the affordability period.

Developers of WFH are restricted by the terms of the program stated above, and in the case where a developer defaults and a financial institution moves to foreclosure, that institution will assume these same obligations, including the obligation to complete construction of the workforce units and to sell them to buyers who meet the income restrictions. These restrictions are kept in place in order to protect the units from being sold at market-rate if the original developer defaults. However, it can make WFH deals riskier for banks to finance than traditional real estate endeavors.

In order to encourage financial institutions to support developers participating in the WFH program, and especially to support smaller, locally owned, minority-owned and women-owned developers, the Authority sought approval of the CEF in 2016 and limited it to WFH construction loans made to developers who were awarded land through the Land Bank's WFH RFPs.

To adequately fund the CEF, the Authority reserved PHIL Loan Program proceeds in escrow as authorized pursuant to Resolution No. 2016-132, adopted December 14, 2016. The total funding amount of the CEF commitments cannot exceed One Million Dollars (\$1,000,000).

COMMENTS: To date, only two (2) CEF's have been given by the Authority totaling Five Hundred Thousand Dollars (\$500,000). The Authority now seeks to expand the CEF eligibility for loans beyond those simply made to developers who are awarded land through the Land Bank's WFH RFPs. The Authority seeks to expand eligibility to sites that either entirely or partially include land purchased from Authority, DPP, PHDC and/or PHA. It is believed that the expansion of eligibility will foster a more extensive utilization of the CEF and, in turn, facilitate increased development of homeownership family-style WFH units in the City of Philadelphia.

Proposed Resolution is attached.

Prepared by: Ryan Harmon

**BOARD FACTSHEET**

Meeting of September 11, 2019
 Selection of Redeveloper
 2035 E. Birch Street

NAME OF DEVELOPER/APPLICANT: Joel Rojas

Nature of Transaction: Selection of applicant to develop a side yard adjacent to his property located within the Kensington North of Lehigh Redevelopment Area.

Legal Entity/Other Partners (if applicable): N/A

Mailing Address: 2033 E. Birch Street, Philadelphia, PA 19134

PROPERTY INFORMATION: 2035 E. Birch Street

Description: 928 sq. ft., vacant lot **Zoning:** RSA-5 **Use:** Residential

Disposition Value: \$25,000.00

Due to the applicant being the owner-occupant of the adjacent property, the applicant qualifies for a non-competitive sale via a value established by an independent appraisal. The property will carry a thirty (30) year non-amortizing mortgage equal to the disposition value.

FINANCING:

The applicant is purchasing the property listed above; documentation of available funds in an amount no less than the total project cost has been provided, see attached outline of sources and uses.

COMMENTS OR OTHER CONDITIONS:

The applicant is compliant with the City of Philadelphia Revenue Department and has no outstanding tax obligations, conflicts of interest, or unresolved violations of City L&I Code. Per Chapter 17-1600 of the Philadelphia Code, an Economic Opportunity Plan is not required for this project given the construction budget is under \$100,000.

Proposed Resolution and supporting project information are attached (sources & uses, site map and photographs).

Prepared by: Tracy Pinson-Reviere, Project Manager II

Reviewed by: Angel Rodriguez, Senior Vice President of Land Development

**BOARD FACTSHEET**

Meeting of September 11, 2019

Selection of Redeveloper

1324-1332 S. Capitol Street

NAME OF DEVELOPER/APPLICANT: Community Justice Land Trust

Nature of Transaction: Selection of Community Justice Land Trust ("Redeveloper") as redeveloper proposing to develop five (5) affordable single-family homeownership units available to households at or below 80% Average Median Income ("AMI").

Legal Entity/Other Partners (if applicable): Women's Community Revitalization Project ("WCRP")

Mailing Address: 100 W. Oxford Street, Suite E-2300, Philadelphia PA 19122

PROPERTIES INFORMATION: 1324-32 S. Capitol Street (the "Properties")

Description: 3,220 SF, vacant lot **Zoning:** RSA-5 **Use:** Residential

Disposition Price: Nominal (\$5.00)

The City of Philadelphia's Land Disposition Policy, approved by City Council on March 9, 2017, allows for discounted pricing for projects that have a demonstrated community and social impact. In support of the project's community and social benefit impact, the Properties shall have a Declaration of Restrictive Covenants targeting affordable homeownership units for low-income families at or below 80% AMI.

FINANCING:

Redeveloper has been awarded a commitment from the Federal Home Loan Bank of Pittsburgh and a construction loan from The Reinvestment Fund and will use these funds to develop the Properties. Redeveloper has provided documentation of available funds or reasonable ability to obtain necessary funds in an amount no less than total Project costs.

COMMENTS OR OTHER CONDITIONS:

Redeveloper is compliant with the City of Philadelphia Revenue Department and has no outstanding tax obligations, conflicts of interest, or unresolved violations of City L&I Code. Per Chapter 17-1600 of the Philadelphia Code the Economic Opportunity Plan ranges have been set at MBE – 25%, WBE –10%.

Prepared by: Brian Romano, Project Manager

Reviewed by: Angel Rodriguez, Deputy Executive Director of Real Estate



BOARD FACTSHEET

Meeting of September 11, 2019
Amendatory Agreement
427-435 Master Street

NAME OF DEVELOPER/APPLICANT: 435 Master Street, L.P.

Background: By Resolution No. 2015-146, adopted on December 9, 2015, and modified by Resolution No. 2017-19, adopted March 8, 2017, the Philadelphia Redevelopment Authority ("Authority") and 435 Master Street, L.P. ("Redeveloper"), entered into a Lease Agreement (the "Lease") for the property located at 427-35 Master Street ("Master Street Premises") and a Redevelopment Agreement (the "Redevelopment Agreement") for the following properties:

1. The Master Street Premises; and
2. 1401-1425 N. 5th Street ("5th Street Premises").

The Master Street Premises was leased to Redeveloper to develop as a parking lot to serve its mixed-use project on the 5th Street Premises, which Redeveloper owns. As a condition of entering into the Lease, the Authority required that the 5th Street Premises be included in the Redevelopment Agreement. Although the Authority does not have a right of reverter with respect to the 5th Street Premises, the construction of the 5th Street Premises redevelopment project is a prerequisite of the issuance of a Certificate of Completion relative to the Master Street Premises under the Redevelopment Agreement.

The Authority is not responsible for any costs, expenses or charges during the term of the Lease. Redeveloper agreed to insure its contractors and subcontractors to maintain the minimum insurance coverages as required by the Authority against any and all claims.

The term of the Lease is ten (10) years. Redeveloper paid fixed minimum rent during the first year of the Lease in the amount of Fifteen Thousand Six Hundred Dollars (\$15,600), payable in monthly installments of One Thousand Three Hundred Dollars (\$1,300). Beginning in the second (2nd) year of the Lease term, the fixed minimum rent is adjusted annually by three percent (3%) above the fixed minimum rate from the prior year for each subsequent year throughout the Lease term. Redeveloper also purchased an "Option to Purchase" for Twenty-Five Thousand Dollars (\$25,000.00). The "Option" price for the Master Street Premises is Three Hundred Thousand Dollars (\$300,000.00).

The Authority gave its consent in the Lease to Redeveloper subleasing the Master Street Premises to Core Realty or any of Redeveloper's affiliates. The Master Street Premises was developed into a parking lot by Core Realty. Redeveloper originally proposed in the Redevelopment Agreement to develop fifty-five (55) parking spaces on the Master Street Premises but was ultimately able to create sixty-four (64) parking spaces.

Request:

Today the board is requested to authorize a resolution to amend the following:

1. To amend the plans attached to the Redevelopment Agreement to reflect that the total number of parking spaces developed on the Master Street Premises will be increased from fifty-five (55) spaces to sixty-four (64) spaces;
2. A modification fee of Three Thousand Dollars (\$3,000.00) will be charged to Redeveloper for the plan modification, which is based on the standard amendment fee of 1% of the purchase price (being calculated based on the "Option" price).

Proposed Resolution and supporting project information are attached (site map and photograph).

Prepared by: Brian Romano, Project Manager
Reviewed by: Angel Rodriguez, Deputy Executive Director of Real Estate



BOARD FACTSHEET

Meeting of September 11, 2019

Release of a Redevelopment Agreement and Certain Deed Covenants
2004-10 N. 17th Street and 2133 N. Gratz Street

NAME OF DEVELOPER/APPLICANT: Advocate Community Development Corporation ("Redeveloper")

NATURE OF TRANSACTION: The Board is asked to approve a Resolution authorizing the issuance of a release of the Redevelopment Agreement and certain deed covenants for 2004-10 N. 17th Street ("Parcel A") and 2133 N. Gratz Street ("Parcel B").

BACKGROUND: Pursuant to a deed dated July 10, 1991 ("Deed"), the Redevelopment Authority conveyed Parcel A and Parcel B to Redeveloper. Parcel B was developed as affordable housing. While the Redevelopment Authority cannot determine the exact development that Redeveloper was obligated to construct on Parcel A, the Deed does contain a covenant requiring Parcel A to be devoted to and only to residential and related uses. Based on images of Parcel A dating from the early 1990s to 2015 from various websites, it does not appear that Redeveloper completed any development on Parcel A and instead merely held it as a vacant lot for several years. On February 12, 2015, Redeveloper conveyed Parcel A along with a few other properties to Christine Pasieka as a vacant lot.

On March 11, 2015, Ms. Pasieka then conveyed Parcel A to Ramco Real Estate, Inc. ("Ramco"). Based on additional research of Parcel A, it appears that Parcel A was developed under the ownership of Ramco into four (4) duplexes. Ramco subsequently conveyed Parcel A to Diamond City Realty LLC ("Owner") on December 13, 2018.

Owner has requested a release of certain covenants in the Deed relating to the rehabilitation, occupancy, conveyance, and sale price of Parcel A (together, the "Restrictions") and the Redevelopment Agreement (the "Agreement") dated July 10, 1991. The permanent deed restrictions relating to non-discrimination and devoting Parcel A and Parcel B for residential and related uses will not be removed.

Because Parcel A and Parcel B have been developed for residential use, the Redevelopment Authority recommends the issuance of a Release of the Agreement and the Restrictions.

Proposed Resolution and supporting information are attached (site map and photographs).

Prepared by: Brian Romano
Reviewed by: Angel Rodriguez



BOARD FACTSHEET

Meeting of September 11, 2019

Certificate of Completion

1100-04 South Street including 602-06 S. 11th Street

NAME OF DEVELOPER/APPLICANT: 1100 South Street, LLC ("Redeveloper")

NATURE OF TRANSACTION: The Board is asked to approve a Resolution authorizing the issuance of a Certificate of Completion for 1100-04 South Street, including 602-606 S. 11th Street (the "Property"). The Authority conveyed the Property to the Redeveloper on November 21, 2006.

BACKGROUND: On February 1, 2006, following the issuance of a Request for Proposals ("RFP"), the Authority entered into a Redevelopment Agreement (the "Agreement") with Killian Properties, LLC for the development of a three-story mixed-use building which consisted of ground floor retail space along South Street, four (4) residential condominium units above the commercial space and two (2) townhouse style condo units along 11th Street. On October 18, 2006, the Authority entered into an Assignment Agreement with Killian Properties, LLC, to assign the development rights to Redeveloper, which was an entity created by Killian Properties, LLC. The parcels were conveyed to Redeveloper on November 21, 2006, for Five Hundred Fifty Thousand Dollars (\$550,000).

The project was ultimately completed and there was one (1) consent to sell letter issued so Redeveloper could sell a unit. To date, all the units have been sold and some more than once. Redeveloper never requested a Certificate of Completion from the Authority.

COMMENTS: Redeveloper did not supply the Authority with all the necessary Economic Opportunity Plan ("EOP") paperwork to have it properly monitored and the Fine Arts requirement was not satisfied in any manner. Because of these issues, a Certificate of Completion cannot be issued administratively through Department sign-offs. Notwithstanding, the owners of the units located on the Property continue to have the Agreement as an encumbrance on their units and have requested the Authority to issue a Certificate of Completion.

REQUEST: The Board is being asked to approve a Resolution authorizing the issuance of a Certificate of Completion.

Proposed Resolution and supporting information are attached (site map and photographs).

Prepared by: Brian Romano, Project Manager
 Reviewed by: Angel Rodriguez, Deputy Executive Director of Real Estate

**BOARD FACTSHEET**

Meeting of September 11, 2019

Amendatory Agreement

1621-31 W. Venango Street

NAME OF DEVELOPER/APPLICANT: Venango Court LLC

Nature of Transaction: By Resolution No. 2016-136, adopted December 14, 2016, the Board authorized the selection of Venango Court LLC ("Redeveloper") to develop the parcels located at 1621-31 W. Venango Street (the "Parcels") into ten (10) triplexes, each containing three (3) market rate rental units. Pursuant to Resolution No. 2017-11, adopted on February 8, 2017, the Board approved a modification to approve a change in the plans to include the development of nine (9) triplexes and one (1) mixed-use duplex containing two (2) market rate rental units above ground floor commercial space.

Redeveloper completed the first phase which included developing the mixed-use property and four (4) triplexes. Redeveloper claims that it has not been able to complete the second phase of the development because the Philadelphia Water Department changed its requirements for the disclosure of above and below ground utilities, requiring the developer to hire a civil engineer and prepare a plan that was not contemplated at the time of closing. This caused a four (4) month delay in submitting required approval items to finish the project. Also, Redeveloper had been waiting for L&I to issue its building permits for this phase of the project but claims there was a delay on L&I's behalf.

This request is contingent on payment by Redeveloper of a service fee in the amount of Seven Hundred Twenty Dollars (\$720), which is 1% of the acquisition price for the Parcels.

Today the Board is requested to authorize a resolution to enable the following:

1. Extend the construction completion date to June 30, 2020;
2. Extension is contingent on receipt of a service fee in the amount of Seven Hundred Twenty Dollars (\$720).

Legal Entity/Other Partners (if applicable): Thomas and April LaCorte

Mailing Address: 8510 Parkwood Lane, Philadelphia, PA 19128

COMMENTS OR OTHER CONDITIONS:

The Developer is compliant with the City of Philadelphia Revenue Department and has no outstanding tax obligations, conflicts of interest, or unresolved violations of City L&I codes.

Per Chapter 17-1600 of the Philadelphia Code, the City has already approved the Economic Opportunity Plan with ranges at MBE – 18% and WBE – 7%.

Proposed Resolution and supporting project information are attached (site map and photograph).

Prepared by: Brian Romano, Project Manager
Reviewed by: Angel Rodriguez, Deputy Executive Director of Real Estate



BOARD FACTSHEET

Meeting of September 11, 2019

Lillia Crippen Townhomes Preservation Development
 New Financing and Modification of Existing Loans to Targeted
 Neighborhood Initiative Limited Partnership and TNI 2 Limited
 Partnership

TRANSACTION SUMMARY

Authorization for the Authority to enter into a non-recourse construction permanent loan with Lillia Crippen Limited Partnership ("LC LP") in an amount not to exceed Four Million Three Hundred Sixty-Nine Thousand Six Hundred Sixteen Dollars (\$4,369,616) (the "Authority Loan"). The Authority Loan consists of assumed debt from Authority loans in connection with the Lillia Crippen Townhomes and Lillia Crippen Townhomes II developments (collectively, the "Projects") and new financing in an amount not to exceed One Million Four Hundred Forty Thousand Dollars (\$1,440,000) ("New Financing").

BACKGROUND INFORMATION

Lillia Crippen Townhomes

In 1998, the Authority provided two loans to Targeted Neighborhood Initiative Limited Partnership secured by two mortgages in the aggregate amount of One Million One Hundred Seventy-Two Thousand Four Hundred Eighty-Seven Dollars (\$1,172,487) evidenced by two notes, one in the amount of Nine Hundred Twelve Thousand Four Hundred Eighty-Seven Dollars (\$912,487) ("Lillia Crippen Note 1"), of which Eight Hundred Seventy-Eight Thousand One Hundred Sixty Dollars (\$878,160) has been disbursed, and a second note in the amount of Two Hundred Sixty Thousand Dollars (\$260,000) ("Lillia Crippen Note 2") (collectively, "Lillia Crippen Townhomes Notes"). The proceeds of the Lillia Crippen Townhomes Notes provided financing to assist in the new construction of twenty-six (26) units of permanent rental housing for low-income residents located at 1826-1850 North 6th Street ("Lillia Crippen I Properties"). The Lillia Crippen Note 1 is at 0% interest and Lillia Crippen Note 2 is at 5.94%, with payments beginning on the thirty-first (31st) anniversary.

Lillia Crippen Townhomes II

In 2001, the Authority provided a loan to TNI 2 Limited Partnership as evidenced by a note ("Lillia Crippen Townhomes II Note") and secured by a mortgage in the amount of One Million Six Hundred Thirty-Two Thousand Six Hundred Twenty-Five Dollars (\$1,632,625), of which One Million Five Hundred Fifty-Eight Thousand Eight Hundred Eighty-Eight Dollars (\$1,558,888) has been disbursed. The proceeds of the Lillia Crippen Townhomes II Note provided financing to assist with the new construction of twenty (20) units of permanent rental housing for low income residents located at 1802, 1804, 1806, 1808, 1810, 1812, 1814, 1816, 1818 North 6th

Street, 601, 603, 607, 609, 611, 613, 615, 617, 619, 621, 623 West Montgomery Avenue, 608, 610, 612, 614, West Wilt Street, and 1803, 1805, 1807, 1809, 1811, 1813, 1815, 1817, 1819 North Marshall Street (collectively, "Lillia Crippen II Properties"). The term of the Lillia Crippen Townhomes II Note is for a period of thirty (30) years at 0% interest.

PROPOSED PROJECT

The Projects have reached their fifteen (15) year low-income housing tax credit compliance period and Women's Community Revitalization Project ("WCRP"), the developer/sponsor of the Projects, has developed a preservation plan to keep the Projects affordable for an additional thirty-seven (37) years. LC LP will be combining the Projects into a single forty-six (46) unit development ("Lillia Crippen Preservation Development") that will consist of making much needed capital improvements such as upgraded A/C units, window replacement, doors and other modernizing of the units. There are two (2), three (3), and four (4) bedroom units, each with their own separate entrance from the street. All units share green space and off-street parking. There are seventeen (17) visitable units, fourteen (14) accessible units, and fifteen (15) sensory units. The units are targeted to low-income families with an Area Median Income of sixty (60%) percent or below. WCRP will serve as Property Manager and Supportive Service Provider.

PROJECT FINANCING

To finance the Lillia Crippen Preservation Development, WCRP applied and received from the Pennsylvania Housing Finance Agency ("PHFA") four percent (4%) low income housing tax credit/tax exempt bonds and PHFA Pennsylvania Housing and Rehabilitation Enhancement Funds ("PHARE"). In addition, WCRP received the New Financing commitment from the Division of Housing and Community Development. The Authority Loan consists of existing principal debt in the amount of Two Million Six Hundred Ninety-Seven Thousand Forty-Eight Dollars (\$2,697,048) and accrued interest of Two Hundred Thirty-Two Thousand Five Hundred Sixty-Eight Dollars (\$232,568) ("Assumed Debt"), along with the New Financing. The Authority was asked to forgive approximately Ninety-Five Thousand Dollars (\$95,000) of accrued interest on Lillia Crippen Note 2 and WCRP is forgiving an original note in the amount of Four Hundred Twenty-Nine Thousand Nine Hundred and Eight Dollars (\$429,908) in order to meet the Fifty percent (50%) bond test. On the operating side, the Lillia Crippen Preservation Development has subsidy commitment from the Philadelphia Housing Authority for twenty-two (22) units in the form of project-based vouchers.

BOARD ACTION

The Board is asked to consent to the following:

- Permit the transfer of the Lillia Crippen I Properties and Lillia Crippen II Properties to LC LP;
- Permit forgiveness of a portion of accrued interest;
- Permit the assumption by LC LP of Assumed Debt;

- The Authority will provide a non-recourse construction/permanent loan in the amount of Four Million Three Hundred Sixty-Nine Thousand Six Hundred Sixteen Dollars (\$4,369,616) (the "Authority Loan") to LC LP consisting of New Financing and Assumed Debt. The proceeds of the Authority Loan will be used for the preservation of forty-six (46) units of affordable housing for families located on the Lillia Crippen I Properties and Lillia Crippen II Properties. Upon completion, the units will target households at or below sixty (60%) percent of Area Median Income;
- The term of the Authority Loan will be for thirty-seven (37) years at one (1%) percent interest. During the Authority Loan term, no principal or interest will be required to be paid. The entire balance will be due and payable in thirty-seven (37) years; and
- The Authority Loan will be secured by a fourth lien position behind construction financing provided by Citizens Bank, PHFA PHARE Funds and PHFA PennHOMES Funds. Upon payment of the construction loan, the Authority Loan will remain in a fourth lien position behind permanent financing that will be provided by Community Lenders Community Development Corporation.

COMMENTS OR OTHER CONDITIONS:

The City of Philadelphia ("City") has approved the Economic Opportunity Plan for the Lillia Crippen Preservation Development. The Development Team has no outstanding tax issues. The Authority Housing Construction Department has approved the plans, specification, and construction costs for the Lillia Crippen Preservation Development. The City Planning Commission has issued an environmental clearance.

Proposed Resolution is attached

Prepared by: Zena Holland, Senior Housing Development Officer

Reviewed by: Darci Bauer, Director Housing Finance