

**PHILADELPHIA REDEVELOPMENT AUTHORITY**

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

**BOARD MEETING  
WEDNESDAY, NOVEMBER 04, 2020**

**Executive Session – 3:30 P.M.**

**Open Session – 4:00 P.M.**

**A G E N D A**

**APPROVAL OF BOARD MINUTES**

Meeting of October 14, 2020

<b><u>I.</u></b>	<b><u>EXECUTIVE DIRECTOR'S REPORT</u></b>	<b><u>PAGE</u></b>
<b><u>II.</u></b>	<b><u>ADMINISTRATIVE</u></b>	
(a)	<b>Conveyance of PRA Properties to Philadelphia Land Bank</b>	(1)
(b)	<b>Conveyance City Properties to Philadelphia Land Bank</b>	(5)
(c)	<b>Contract for Professional Services Talsen Solutions, LLC 400 N. Broad Street including 1501 Callowhill Street Approval of First Amendment to Contract for Professional Services</b>	(9)
<b><u>III.</u></b>	<b><u>DEVELOPMENT</u></b>	
(a)	<b>West Philadelphia Redevelopment Area Calvary Agape Development Corporation 6161 W. Girard Avenue Second Amendment to Redevelopment Agreement</b>	(12)

**AGENDA**

Board Meeting of November 04, 2020

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- (b) 45<sup>th</sup> & Sansom Urban Renewal Area (17)  
125-135 S 46<sup>th</sup> Street Associates, LP  
125 S. 46<sup>th</sup> Street, 127-129 S. 46<sup>th</sup> Street and  
133-135 S. 46<sup>th</sup> Street  
**Certificate of Completion**

# PHILADELPHIA REDEVELOPMENT AUTHORITY

## BOARD MEETING MINUTES

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Prior to the start of the meeting, Mr. Harmon made the announcement that today's Board meeting is being held electronically via an authorized communication device pursuant to Title 35 of the Pennsylvania Consolidated Statutes, Section 5741 (35 Pa.C.S. §5741), is open to public attendees and open for public comment. The Board meeting is being recorded and questions and comments can be entered using the Question & Answer box at the lower right-hand corner of the screen. Questions and/or comments will be read out loud and answered if needed. Mr. Harmon indicated there were no public comments received prior to the meeting. Mr. Harmon further stated that he provided his email address to the public for any issues with submitting questions and/or comments.

**\*\*\*PLEASE NOTE THAT THERE WAS A QUESTION AND ANSWER PORTAL FOR PUBLIC ATTENDEES OF THIS BOARD MEETING. THE PUBLIC ATTENDANCE LIST AND THE SUBMITTED QUESTIONS AND ANSWERS, IF ANY, ARE ATTACHED HERETO FOLLOWING THE MINUTES.**

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A virtual meeting of the Board of Directors of the Philadelphia Redevelopment Authority was held on Wednesday, October 14, 2020, commencing at 4:02 P.M., pursuant to proper notices being made.

### **ROLL CALL**

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

The following assigned staff were present: Gregory Heller, Ryan D. Harmon, Esquire, Angel Rodriguez, Darci Bauer, Robert LaBrum, Brian Romano, James Brown, and Elizabeth Bonaccorso.

Also in attendance: Peilin Chen, City Finance; Judah Angster, Dwight City Group; Jihad Ali, The Enterprise Center; Kinji Ridley, L. Cross (name provided), Daniel Seery, Jaime Farrant, John McCarty, Robin Miller, Allison Weiss, Steve Kane.

### **ANNOUNCEMENTS**

None.



## **MINUTES**

Ms. Fadullon called for a motion to approve the amended minutes of the Board meeting of September 9, 2020.

Upon motion made and duly seconded, the amended minutes of September 9, 2020 were approved.



## **EXECUTIVE DIRECTOR'S REPORT**

Mr. Heller stated that the Rental Assistance Program has been extended and will continue to accept applications through November 4, 2020. This program can provide up to \$1,500 of rental assistance paid to the landlord. Mr. Heller stated that applications can be submitted through PHLRentAssist.org.



## **ADMINISTRATIVE**

Mr. LaBrum presented "Item II(a) – Approval of Construction Contract with Gessler Construction Co., Inc." in substance consistent with the Fact Sheet attached hereto.

### **Board Action**

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

### **RESOLUTION NO. 2020-60**

**RESOLUTION AUTHORIZING THE PHILADELPHIA REDEVELOPMENT AUTHORITY, AS AGENT FOR THE CITY OF PHILADELPHIA, TO ENTER INTO A CONSTRUCTION CONTRACT WITH GESSLER CONSTRUCTION CO, INC., FOR THE MARTIN LUTHER KING JR. DRIVE TRAIL IMPROVEMENTS, LOCATED AT MARTIN LUTHER KING JR. DRIVE FROM SPRING GARDEN STREET BRIDGE TO THE FALLS BRIDGE**

**WHEREAS**, the Philadelphia Redevelopment Authority ("Authority") solicited proposals seeking responses from qualified construction firms willing and capable of performing the Martin Luther King Jr. Drive Trail improvements project (the "Project").

**WHEREAS**, Gessler Construction Co., Inc. ("Gessler") submitted its response to the Authority, outlining their extensive experience, and Gessler was lowest qualified bidder.

**NOW THEREFORE, BE IT RESOLVED**, by the Philadelphia Redevelopment Authority, the authorization is hereby given to the Authority's Executive Director to enter into a Construction Contract with Gessler for the Project, with a maximum compensation not to exceed One Million Four Hundred Eight Thousand One Hundred Ten Dollars (\$1,408,110) (total Base Bid plus 10% Contingency).

**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 and Construction Contract necessary or desirable to carry out its purposes and intents.

Voting for the foregoing resolution: Ms. Fadullon, Mr. Cuorato, Ms. Buckley, Mr. Bumb and Mr. Dubow.



**Mr. Harmon presented "Item II(b) – Conveyance of PRA Properties to Philadelphia Land Bank" in substance consistent with the attached Fact Sheet hereto.**

**Board Action**

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

**RESOLUTION NO. 2020-61**

**PHILADELPHIA LAND BANK – RESOLUTION AUTHORIZING THE CONVEYANCE OF CERTAIN PROPERTIES OWNED BY THE PHILADELPHIA REDEVELOPMENT AUTHORITY TO THE PHILADELPHIA LAND BANK**

**WHEREAS**, Act 153 of 2012, 68 Pa. C.S.A. § 2101, *et seq.* (the "Land Bank Act") authorized the City of Philadelphia ("City") to create a land bank in accordance with the Land Bank Act; and

**WHEREAS**, the City, in Bill No. 130156-A (approved December 18, 2013), authorized the creation of the Philadelphia Land Bank and provided for its appointment, powers and duties; and

**WHEREAS**, under Section 2109 of Land Bank Act, 68 Pa. C.S.A. § 2109(d)(3), a redevelopment authority, with the consent of the local governing body and without a redevelopment contract, may convey title to certain redevelopment authority property to a land bank; and

**WHEREAS**, the properties identified on Exhibit "A" to this Resolution which are owned by the Philadelphia Redevelopment Authority qualify for transfer from the Philadelphia Redevelopment Authority to the Philadelphia Land Bank as provided by Section 2109 of the Land Bank Act; and

**WHEREAS**, the transfer of the properties identified on Exhibit "A" to this Resolution to the Philadelphia Land Bank will promote the public purposes for which the City created the Philadelphia Land Bank;

**NOW THEREFORE, BE IT RESOLVED** by the Philadelphia Redevelopment Authority, that authorization is hereby given to the Philadelphia Redevelopment Authority to convey title to those properties identified on Exhibit "A" hereto, to the Philadelphia Land Bank, and for the preparation, execution, acknowledgment and delivery of deeds to the Philadelphia Land Bank, without consideration, pursuant to Section 2109 of Land Bank Act, 68 Pa. C.S.A. § 2109(d)(3), and to obtain the appropriate councilmanic action.

**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.

**EXHIBIT "A"**

**Properties Owned by Philadelphia Redevelopment Authority to be Transferred to Philadelphia Land Bank**

**1st Councilmanic District Properties**

2842 Tulip Street  
2844 Tulip Street

Voting for the foregoing resolution: Ms. Fadullon, Mr. Cuorato, Ms. Buckley, Mr. Bumb and Mr. Dubow.



**Mr. Harmon presented "Item II(c) – Authorization to Transfer Management and Control for Percent for Art Program to Philadelphia Housing Development Corporation" in substance consistent with the Fact Sheet attached hereto.**

**Board Action**

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

**RESOLUTION NO. 2020-62**

**PERCENT FOR ART PROGRAM – RESOLUTION AUTHORIZING THE TRANSFER OF MANAGEMENT AND CONTROL OF THE PERCENT FOR ART PROGRAM TO THE PHILADELPHIA HOUSING DEVELOPMENT CORPORATION**

**WHEREAS**, the Redevelopment Authority and the Public Art Committee established pursuant to the Percent for Art Program (the "Program") seek authorization to transfer management and control of the Percent for Art Program to the Philadelphia Housing Development Corporation ("PHDC"), as specifically set forth in the Fact Sheet attached hereto.

**NOW THEREFORE, BE IT RESOLVED**, by the Board of Directors of the Philadelphia Redevelopment Authority, that, subject to approval by the Board of Directors of PHDC, management and control of the Program shall be transferred to PHDC.

**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: Ms. Fadullon, Mr. Cuorato, Ms. Buckley, Mr. Bumb and Mr. Dubow.



**Mr. Harmon presented "Item II(d) – Approval of Grant Agreement with the Philadelphia Housing Authority" in substance consistent with the Fact Sheet attached hereto.**

**Board Action**

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

**RESOLUTION NO. 2020-63**

**RESOLUTION AUTHORIZING THE APPROVAL OF A GRANT IN AN AMOUNT NOT TO EXCEED \$540,000 TO THE PHILADELPHIA HOUSING AUTHORITY TO ASSIST WITH COSTS ASSOCIATED WITH THE COLLABORATION KNOWN AS THE "SHARED SPACE, A NEW SHARED HOUSING PILOT"**

**BE IT RESOLVED**, by the Philadelphia Redevelopment Authority, that authorization is hereby given to enter into a Grant Agreement with the Philadelphia Housing Authority ("PHA") wherein the Authority will grant funds in an amount not to exceed Five Hundred Forty Thousand Dollars (\$540,000) to PHA to be used by PHA for the purposes outlined in the Memorandum of Understanding dated September 13, 2020 ("MOU"), regarding the collaboration known as the "Shared Space, A New Shared Housing Pilot" (the "SHP Program"), to rehabilitate at least ten (10) units with up to forty (40) bedrooms for the SHP Program.

**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: Ms. Fadullon, Mr. Cuorato, Ms. Buckley, Mr. Bumb and Mr. Dubow.



**Mr. Harmon presented "Item II(e) – Providing Authorization to Certain Redevelopment Authority Assigned Staff to Execute Deeds and Other Documents Ancillary to Property Settlements" in substance consistent with the Fact Sheet attached hereto.**

Additional Comments and Discussion

Mr. Harmon informed the Board that today's action will enable Mr. Heller and Mr. Rodriguez signoff on any documents relating to deeds on behalf of the Authority. This action will allow Ms. Ramos to sign deeds for settlements without any issues.

**Board Action**

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

**RESOLUTION NO. 2020-64**

**RESOLUTION AUTHORIZING CERTAIN REDEVELOPMENT AUTHORITY ASSIGNED STAFF TO EXECUTE PROPERTY SETTLEMENT DOCUMENTATION ON BEHALF OF THE REDEVELOPMENT AUTHORITY**

**BE IT RESOLVED, BY THE PHILADELPHIA REDEVELOPMENT AUTHORITY**, that:

1. Any deed, settlement statement or any other closing document necessary for, or incident to, Redevelopment Authority property settlements may be executed and delivered in the name and on behalf of the Redevelopment Authority by Gregory Heller, Executive Director, and Angel Rodriguez, Deputy Executive Director of Real Estate.
2. Any settlement statement or any other closing document necessary for, or incident to, Redevelopment Authority property settlements, other than deeds, may be executed and delivered in the name and on behalf of the Redevelopment Authority by Daiana Ramos as settlement coordinator.
3. The provisions of this Resolution shall take effect upon adoption and all prior actions consistent with prior Resolutions shall remain valid and in effect.

**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: Ms. Fadullon, Mr. Cuorato, Ms. Buckley, Mr. Bumb and Mr. Dubow.



**Mr. Harmon presented "Item II(f) – Forgiveness of 2005 Loan (\$300,000); Freire Charter School, L.P." in substance consistent with the attached Fact Sheet hereto.**

*Additional Comments and Discussion*

Mr. Harmon stated that this premises was leased to Freire Charter School, L.P. ("Freire"), in 2005 for a term of sixty (60) years. Mr. Harmon stated that the subject loan had a loan term of fifteen (15) years with an interest rate at zero percent (0%). Mr. Harmon further stated that although this loan was initially structured as a grant in 2005, it was modified to be a loan due to the entity structure of the Freire, and the purpose of the loan was to make capital improvements to the premises.

Ms. Fadullon recognized Mr. Ali and invited him to speak. Mr. Ali stated that back in 2005 this project was awarded tax credits. Mr. Ali asked if today's action is in the best interest of the Authority and the City. Mr. Harmon replied that Freire is still operating the charter school at the premises and maintains the premises and that the Authority and the City. Mr. Harmon stated that the request today would aid in the continued operation of the charter school.

Mr. Heller stated that Freire is non-profit entity. Mr. Heller further stated that he had the opportunity to tour the charter school and that he believes it is a great institution and that he would like to see them continue operating and giving back to the community.

**Board Action**

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

**RESOLUTION NO. 2020-65**

**RESOLUTION AUTHORIZING THE FORGIVENESS OF A LOAN GIVEN BY THE PHILADELPHIA REDEVELOPMENT AUTHORITY TO FREIRE CHARTER SCHOOL, L.P. IN THE AMOUNT OF \$300,000**

**WHEREAS**, on October 14, 2005, the Redevelopment Authority provided a loan to Freire in the amount of Three Hundred Thousand Dollars (\$300,000) (the "Loan"), which is evidenced by a Note between the Redevelopment Authority, as payee, and Freire, as maker, dated October 14, 2005 (the "Note");

**WHEREAS**, the proceeds of the Loan were used to assist in the rehabilitation of a charter school located at 2025-27 Chestnut Street ("Chestnut Street Property"), which is currently being leased to Freire by the Redevelopment Authority for a term of sixty (60) years;

**WHEREAS**, the Loan term is for a period of fifteen (15) years from the date of the Note and no principal payments are due during the term of the Loan;

**WHEREAS**, the rate of interest on the Note is zero percent (0%), with full repayment of the Loan due at the end of the Loan term, i.e. October 14, 2020;

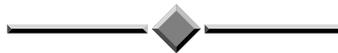
**WHEREAS**, Authority staff seeks authorization to forgive the Loan.

**NOW THEREFORE, BE IT RESOLVED**, by the Philadelphia Redevelopment Authority, that the Authority is authorized to forgive the full amount of principal due and owing on the Loan, which amounts to Three Hundred Thousand Dollars (\$300,000).

**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 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: Ms. Fadullon, Mr. Cuorato, Ms. Buckley, Mr. Bumb and Mr. Dubow.



## **HOUSING FINANCE**

**Ms. Bauer presented "Item III(a) – Sale, Assumption and Subordination of Loans for S. 55<sup>th</sup> Street and Brooks School" in substance consistent with the Fact Sheet attached hereto.**

### *Additional Comments and Discussion*

Ms. Fadullon recognized Mr. Ali and invited him to speak. Mr. Ali asked what the process is with regards to tax syndication and the exit of syndicators and whether the Ingerman Group will be the entity taking over. Ms. Bauer responded that both assets were offered for sale on the open market through a broker and Authority staff approved the proposed buyer are entities controlled by Dwight City Group ("DCG"). Ms. Bauer replied that Mr. Angster, who is the representative from DCG, is in attendance to answer any questions.

Mr. Ali asked about outstanding License & Inspections violations. Mr. Angster stated that there are multiple violations on other properties owned or controlled by DCG in the City and that those violations are in the process of being resolved and would be resolved prior to settlement. Mr. Angster stated that DCG will be an asset to the neighborhood as it values the community and tenants that are a part of the project and DCG's history and prior work supports that.

Mr. Ali raised concerns with regards to DCG's Board of Directors, the diversity of the company and inclusion of minority subcontractors on the project. Mr. Angster responded that DCG does not have a Board of Directors; however, the staff at DCG is diverse and DCG understands the significance of including minority subcontractors and is committed to the needs of the community.

Mr. Ali asked if an Economic Opportunity Plan is required. Ms. Bauer responded no as DCG is assuming the existing loans from 1995 and 1997. Ms. Bauer further stated that the Authority is not providing any additional funding.

### **Board Action**

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

#### **RESOLUTION NO. 2020-66**

#### **RESOLUTION AUTHORIZING THE PHILADELPHIA REDEVELOPMENT AUTHORITY'S CONSENT TO THE SALE OF SOUTH 55<sup>TH</sup> STREET APARTMENTS AND BROOKS SCHOOL AND THE ASUMPTION AND SUBORDINATION OF EXISTING DEBT HELD BY THE PHILADELPHIA REDEVELOPMENT AUTHORITY**

**WHEREAS**, South 55<sup>th</sup> Street Limited Partnership ("South 55<sup>th</sup> Borrower"), a Pennsylvania limited partnership, owns certain real property located at 800-818 South 55<sup>th</sup> Street ("South 55<sup>th</sup> Property"); and

**WHEREAS**, Brooks School Associates L.P. ("Brooks Borrower"), a Pennsylvania limited partnership, owns certain real property located at 5631-43 Haverford Avenue ("Brooks Property"); and

**WHEREAS**, in 1996 the Philadelphia Redevelopment Authority ("Authority") provided financing to the South 55<sup>th</sup> Borrower secured by a mortgage ("South 55<sup>th</sup> Mortgage") for the rehabilitation and new construction of twenty (20) units of permanent rental housing for low income residents in the amount not to exceed Six Hundred Sixty Thousand Dollars (\$660,000), for a term of forty (40) years with payments starting in year thirty-one (31) at one percent (1%) interest ("South 55<sup>th</sup> Loan"); and

**WHEREAS**, in 1997 the Authority provided financing to the Brooks Borrower secured by a mortgage ("Brooks Mortgage") for the rehabilitation of thirty-three (33) units of permanent rental housing for low income residents in an amount not to exceed amount of One Million Five Hundred Thousand Dollars (\$1,500,000) for a term of thirty (30) years at one percent (1%) interest; and

**WHEREAS**, South 55<sup>th</sup> Borrower has entered into an Agreement of Sale with 800 South 55<sup>th</sup> LLC ("South 55<sup>th</sup> Buyer") for a purchase price of One Million Three Hundred Twenty-five Thousand Dollars (\$1,325,000); and

**WHEREAS**, the South 55<sup>th</sup> Borrower will pay the Authority the accumulated interest until settlement of the South 55<sup>th</sup> Loan or an a specific date Authorized by the Authority and the principal amount of the South 55<sup>th</sup> Loan will be assumed by the South 55<sup>th</sup> Borrower ("South 55<sup>th</sup> Assumed Debt"); and

**WHEREAS**, the South 55<sup>th</sup> Borrower will pay the Authority the accumulated interest to date and the principal amount of the South 55<sup>th</sup> Loan will be assumed by the South 55<sup>th</sup> Borrower ("South 55<sup>th</sup> Assumed Debt"); and

**WHEREAS**, the South 55<sup>th</sup> Buyer will require an acquisition loan from American Heritage Bank ("AH") in an amount of Four Hundred Ninety-Five Thousand Dollars (\$495,000) that requires a first lien position on the South 55<sup>th</sup> Property; and

**WHEREAS**, Brooks Borrower has entered into an Agreement of Sale with 5630 Wyalusing LLC ("Brooks Buyer"), for a purchase price of One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000); and

**WHEREAS**, the Brooks Borrower will pay a portion of accrued interest in the amount of One Hundred Fifty Thousand Dollars (\$150,000) and the principal amount of the Brooks Loan will be assumed by the Brooks Buyer ("Brooks Assumed Debt"); and

**WHEREAS**, the managing member of both the South 55<sup>th</sup> Buyer and Brooks Buyer is Dwight City Group.

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

- Permit the transfer of the South 55<sup>th</sup> Property to the South 55<sup>th</sup> Buyer and Brooks Property to the Brooks Buyer
- Permit the assumption by the South 55<sup>th</sup> Buyer of the South 55<sup>th</sup> Assumed Debt
- Permit the assumption by the Brooks Buyer of the Brooks Assumed Debt
- Subordinate the South 55<sup>th</sup> Loan to the financing provided by AH in the amount of Four Hundred Ninety-Five Thousand Dollars (\$495,000)
- Forgive a portion of accrued interest on Brooks Loan

**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: Ms. Fadullon, Mr. Cuorato, Ms. Buckley, Mr. Bumb and

Mr. Dubow.



**Mr. Brown presented "Item III(b) – Non-Recourse Construction/Permanent Loan with Refugio de Amor, L.P." in substance consistent with the attached Fact Sheet hereto.**

**Board Action**

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

**RESOLUTION NO. 2020-67**

**RESOLUTION AUTHORIZING THE AUTHORITY TO ENTER INTO A NON-RECOURSE CONSTRUCTION/PERMANENT LOAN AGREEMENT WITH REFUGIO DE AMOR, L.P.**

**WHEREAS**, in 1997, the Philadelphia Redevelopment Authority ("Authority") provided financing to Refugio de Amor, L.P., a Pennsylvania limited partnership ("Borrower") created by Asociacion Puertorriquenos en Marcha, Inc. ("APM"), in the amount of Three Hundred Sixty-Four Thousand Dollars (\$364,000) ("Authority Loan"); and

**WHEREAS**, the proceeds of the Authority Loan along with the sale of low-income housing tax credits were utilized for the new construction of Hogar de Esperanza, a twenty (20) unit special needs housing development ("Project") located at 2203-31, 2237, 2243-51 Germantown Avenue, 2202-04 N. Sixth Street and 2226-66 Cadwallader Avenue, now known as 2203-31 Germantown Avenue (collectively, the "Property"); and

**WHEREAS**, in 2019, the Authority provided additional financing to Borrower for the preservation of the Project in the amount of Five Hundred Sixty-Five Thousand Six Hundred Forty-Five Dollars (\$565,645) ("Authority Loan 2"); and

**WHEREAS**, the Authority Loan and the Authority Loan 2 have a thirty (30) year term at zero percent (0%) interest, both due and payable at maturity on August 19, 2049; and

**WHEREAS**, as part of the continual preservation of the Project, APM will make further improvements to the Property which will be partially funded with financing from the Authority in an amount not to exceed Eight Hundred One Thousand Forty-Five Dollars (\$801,045) ("Authority Loan 3"); and

**WHEREAS**, the Authority Loan 3 will be structured at zero percent (0%) interest, due and payable in thirty (30) years from the Authority Loan closing; and

**WHEREAS**, the Authority Loan 3 will be in a third lien position behind the Authority Loan and Authority Loan 2.

**NOW THEREFORE, BE IT RESOLVED**, by the Philadelphia Redevelopment Authority ("Authority"), that the Authority is authorized to take the following action with regards to the Project:

1. Authorize the Authority to enter into a non-recourse construction/ permanent loan agreement with the Borrower in an amount not to exceed Eight Hundred One Thousand Forty-Five Dollars (\$801,045) ("Authority Loan 3"). The term of the Authority Loan 3 will be for thirty (30) years at zero percent (0%) interest. During the term of Authority Loan 3, no principal or interest will be required to be paid. The entire balance of Authority Loan 3 will be due and payable thirty (30) years from the Authority Loan 3 closing.

**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: Ms. Fadullon, Mr. Cuorato, Ms. Buckley, Mr. Bumb and Mr. Dubow.



**Ms. Bauer presented "Item III(c) – Modification of Loan with Artist Village Associates, LP" in substance consistent with the Fact Sheet attached hereto.**

*Additional Comments and Discussion*

Ms. Fadullon recognized Mr. Ali and invited him to speak. Mr. Ali asked if the Ingerman Group is exiting the deal or looking to sell the project. Ms. Bauer responded that today's request is solely for the purpose of restructuring of the loan. Ms. Bauer further stated that Ingerman Group's involvement is not changing at this time or as a result of this request.

**Board Action**

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

**RESOLUTION NO. 2020-68**

**RESOLUTION AUTHORIZING THE MODIFICATION OF A LOAN FOR THE ARTIST VILLAGE APARTMENTS**

**WHEREAS**, in 1995, the Philadelphia Redevelopment Authority ("Authority") provided financing in the amount of Eight Hundred Fifty Thousand Dollars (\$850,000) ("Authority Loan") to Artist Village Associates, LP ("Borrower"), for the Artist Village Apartments ("Project") located at 700-34 S 17<sup>th</sup> Street ("Property"); and

**WHEREAS**, the proceeds of the Authority Loan were utilized to develop thirty-six (36) affordable rental units through the rehabilitation of two (2) vacant buildings; and

**WHEREAS**, the Authority Loan has a term of forty (40) years and bears interest at the Applicable Federal Rate ("AFR"), which was 7.6% at the time of the Authority Loan closing, with no payments due for twenty-six (26) years. Beginning on the 26<sup>th</sup> anniversary, monthly installments of principal and interest are due until the Authority Loan is paid in full by year forty (40) ("Maturity Date"); and

**WHEREAS**, the Borrower has requested that the Authority restructure the debt and payment provisions of the Authority Loan by revising the interest rate to zero percent (0%) in exchange for early repayment of the Authority Loan. The current balance of the Authority Loan, including accrued interest, is Four Million Nine Hundred Five Thousand Nine Hundred Forty-Seven Dollars (\$4,905,947).

**NOW THEREFORE, BE IT RESOLVED** by the Authority, that the Authority is authorized to modify the terms of the Authority Loan as follows:

- Reduce the interest rate to zero (0%) percent;
- Provide for the following repayment terms: One Million Dollars (\$1,000,000) to be paid upon execution of revised Authority Loan ("Execution Date"), One Million Dollars (\$1,000,000) on the first, second and third anniversary of the Execution Date and the balance of Nine Hundred Five Thousand Nine Hundred Forty-Seven Dollars (\$905,947) paid by the Maturity Date.

**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: Ms. Fadullon, Mr. Cuorato, Ms. Buckley, Mr. Bumb and Mr. Dubow.



## **REAL ESTATE**

**Mr. Harmon presented "Item IV – Conveyance of Title of City Property and Rescission of Resolution No. 2020-55, Adopted on September 9, 2020" in substance consistent with the Fact Sheet attached hereto.**

### *Additional Comments and Discussion*

Mr. Harmon informed the Board that the transfer of this property was originally approved as a development item at the September 9, 2020 Board meeting. The item being presented today will be correcting the fact that 28 Reger Street should not have been presented as a development item in September as that property is currently owned by the City of Philadelphia ("City"), not the Redevelopment Authority. Mr. Harmon stated that, because this property is owned by the City, it should have been presented as a City transfer and not a development item. As such, staff is asking that Resolution No. 2020-55, adopted September 9, 2020, be rescinded as well to prevent potential confusion in the future.

Ms. Fadullon asked if 28 Reger Street would ultimately need approval by City Council prior to any transfer. Mr. Rodriguez stated yes and stated it would also have to be reviewed and approved by the City's Planning Commission.

Ms. Fadullon recognized Ms. Weiss and invited her to speak. Ms. Weiss asked what program this transfer falls under. Mr. Rodriguez replied that there was an error and 28 Reger Street is not in the Authority's inventory; however, it is a City owned property and that is why the Board is being requested to take action today. Mr. Rodriguez stated that the Redevelopment Authority is essentially a pass-through entity for this transfer.

Ms. Weiss stated that nothing was posted on the property. Mr. Rodriguez responded that he has photos showing the notice was posted on 28 Reger Street and will provide this information to Ms. Weiss. Ms. Weiss replied that she disagrees that the property was posted.

Mr. Rodriguez stated that the Department of Public Property has approved this property for disposition.

### **Board Action**

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

**RESOLUTION NO. 2020-69  
(RESCINDING RESOLUTION NO. 2020-56, ADOPTED ON SEPTEMBER 9, 2020)**

**CITY OF PHILADELPHIA – DEPARTMENT OF PUBLIC PROPERTY -  
RESOLUTION AUTHORIZING ACCEPTANCE OF TITLE FROM THE CITY OF  
PHILADELPHIA TO VARIOUS PROPERTIES AND DISPOSITION OF SUCH  
PROPERTIES AND RESCISION OF RESOLUTION NO. 2020-56, ADOPED ON  
SEPTEMBER 9, 2020**

**WHEREAS**, certain properties have been acquired by the City of Philadelphia (the "City") and determined to be surplus to the needs of the City.

**WHEREAS**, the City Commissioner of Public Property has recommended that the surplus property listed below be made available for disposition in accordance with the provisions of Section 16-400 of the Philadelphia Code.

**WHEREAS**, the City Commissioner of Public Property has also recommended to City Council the below disposition.

**WHEREAS**, the Philadelphia Land Bank ("PLB") has reviewed the proposed disposition and has agreed with the recommendation of the City Commissioner of Public Property.

**WHEREAS**, the PLB, on as agent for the City, will prepare a Purchase and Development Agreement ("PDA") to be recorded against the below property to be recorded prior to any conveyance.

**WHEREAS**, the property identified below will be conveyed for market rate consideration.

**NOW THEREFORE, BE IT RESOLVED** by the Philadelphia Redevelopment Authority, that authorization is hereby given to the Authority to accept title from the City of Philadelphia for properties listed below and for the preparation, execution, acknowledgment and delivery of a deed to the Grantee(s) herein listed conveying the respective properties for the following consideration:

<u>Address</u>	<u>Grantee(s)</u>	<u>Price</u>
28 Reger Street	Clark Roofing Company	\$15,000 (Appraisal)

**FURTHER RESOLVING**, that for the foregoing conveyance, a self-amortizing mortgage in the amount of the purchase price will be provided in accordance with the City's Land Disposition Policy.

**FURTHER RESOLVING**, that Resolution No. 2020-56, adopted on September 9, 2020, is hereby rescinded.



## **OLD BUSINESS**

Ms. Fadullon inquired if there was any old business for the Board.



## **NEW BUSINESS**

Ms. Fadullon acknowledged Mr. Kane and invited him to speak. Mr. Kane asked if 2451-53 Frankford Avenue was being considered today. Ms. Fadullon replied that today's agenda did not include an action item for 2451-53 Frankford Avenue. Mr. Kane stated that the residents on Letterly Street would prefer this parcel to be green space rather than retail space and housing.

Ms. Fadullon asked Mr. Rodriguez to discuss the status of 2451-53 Frankford Avenue. Mr. Rodriguez stated this property was listed as a competitive sale in 2018, and the project was awarded to BMK Properties, LLC ("BMK"), April, 2019. Mr. Rodriguez stated that because the Redevelopment Authority issued an award letter to BMK and BMK returned a signed Redevelopment Agreement to the Redevelopment Authority in 2019, this original proposed development falls under the 2017 Land Disposition Policy and, under that 2017 Land Disposition Policy, posting was not required. Mr. Rodriguez further stated that because the proposed amendment to the Redevelopment Agreement was submitted for approval in 2020, the property was posted in accordance with the 2020 Land Disposition Policy. Finally, Mr. Rodriguez stated that the proposed amendment was ultimately tabled by the Redevelopment Authority Board and the developer has since chosen not to move forward with the proposed amendment.

Mr. Kane stated that he understood but asked how the residents of the surrounding community could voice their opinions in opposition to the project and how they could contact the developer directly. Ms. Fadullon stated that community concerns can be sent to the councilperson. Ms. Fadullon also stated that the Board has requested staff to encourage the developers to meet with the community and that they can find BMK's contact information on the internet.

Mr. Kane stated that there are zoning issues because this parcel is at the corner of the block. Mr. Rodriguez pointed out that the property is currently zoned as CMX-2.

Next, Ms. Fadullon recognized Mr. Seery and invited him to speak. Mr. Seery asked for an explanation as to why this project falls under the 2017 Land Disposition Policy because it went to the Board in May 2020. Mr. Rodriguez reiterated that because the Redevelopment Authority issued an award letter to BMK and BMK returned a signed Redevelopment Agreement to the Redevelopment Authority in 2019, this original proposed development falls under the 2017 Land Disposition Policy and, under that 2017 Land Disposition Policy, posting was not required. The posting process began under the 2020 Land Disposition Policy which became effective January 1, 2020.

Mr. Seery asked if negotiations are still taking place. Mr. Rodriguez replied that the next step in the process is scheduling settlement and that staff has been working with the developer to get to settlement. Mr. Rodriguez stated that following disposition, the next step for the developer would be to obtain building permits from Licenses & Inspections.

Mr. Seery asked if he could obtain all prior Board minutes regarding this transaction. Mr. Harmon stated that Redevelopment Authority Board minutes are posted on the PHDC website every month and we keep them on the website for approximately five (5) years.

Mr. Seery asked when the new 2020 Land Disposition Policy legislation was implemented. Mr. Rodriguez replied that it became effective January 1, 2020.

Ms. Fadullon recognized Mr. Ali and invited him to speak. Mr. Ali stated that the Sharswood project is a great project for that community and asked if any Board members attended a ribbon cutting event that recently occurred there. Mr. Ali stated that the Redevelopment Authority was the agent for Philadelphia Housing Authority ("PHA") to acquire hundreds of properties on behalf of PHA. Mr. Ali stated that he had concerns about condemnees receiving fair market value for their properties and asked if there were condemnees that had not yet received compensation for their properties. Mr. Harmon responded that the Redevelopment Authority and PHA followed all statutory requirements regarding service of notices, offer letters to condemnees and payments into court. Mr. Harmon stated that he did not have the exact numbers with him but that many condemnees received their just compensation. Mr. Harmon stated that for those condemnees who have not claimed or sought to receive compensation for their properties, PHA has taken the step to deposit that compensation into court so that the condemnees can obtain it at any time. Mr. Harmon further stated that there is a six (6) year statute of limitations within which a condemnee may challenge the just compensation amount and that there are approximately three (3) years left at this point.

Mr. Ali asked if there is a report outlining PHA's plans for the area or the status of the condemnation. Mr. Harmon stated that he believed PHA has the Sharswood development plan posted on their website. Mr. Harmon stated he was not aware of any report planned or being published regarding the condemnation itself.

Mr. Ali raised a concern with regards whether an Economic Opportunity Plan would be required with regards to the Freire Charter School matter approved by the Board today. Mr. Harmon replied that he can explain why an Economic Opportunity Plan is not required under the applicable statute following the meeting.

**ADJOURNMENT**

There being no further business to come before the Board, Ms. Fadullon declared the meeting adjourned at 5:17 P.M.

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SECRETARY TO THE BOARD

**[PUBLIC ATTENDANCE LIST AND TRANSCRIPT OF QUESTIONS AND RESPONSES THERETO, IF ANY, ARE ATTACHED ON FOLLOWING PAGE]**

Attended	User Name (Original Name)	First Name	Last Name	Email
Yes	Elizabeth Bonaccorso			elizabeth.bonaccorso@phdc.phila.gov
No	Kinji Ridley	Kinji	Ridley	kridley@yourfuture1st.com
Yes	LC	LC		LCross@phmc.org
Yes	Daniel Seery	Daniel	Seery	danseery51@gmail.com
Yes	Daniel Seery	Daniel	Seery	danseery51@gmail.com
Yes	jihadali	jihadali		jihad@jihadali.com
Yes	Jaime Farrant	Jaime	Farrant	jaime_farrant@yahoo.com
Yes	John McCarty	John	McCarty	jkmccrty@gmail.com
Yes	Robin Miller	Robin	Miller	Nyparealtor@gmail.com
Yes	James L Brown	James	L Brown	james.brown@phdc.phila.gov
Yes	Steve Kane	Steve	Kane	stevekane42@gmail.com
Yes	Steve Kane	Steve	Kane	stevekane42@gmail.com
	12158435555			
	John McCarty			
	12158435555			
	12152050811			

#	Question	Asker Name	Asker Email
1	no building on 2451 frankford	Steve Kane	stevekane42@gmail.com
2	AT ALL make it a park	Steve Kane	stevekane42@gmail.com
3	I got a minute - no building on 2451 frankford ave	Steve Kane	stevekane42@gmail.com
4	<p>Hello, I am here about 2451 Frankford Avenue. I was given Angel's email two months ago to talk about a notice not being put up on the site before the May meeting. Angel's email did not work and I tried it several times, several different spellings: angel.b.rodriguez@phdc.phila.org. I have a photo that that was the spelling given to me... The community has come together and no one has seen the posting. We have 10 households on Letterly Street signing on confirming nothing was posted until the June meeting. We also have several renters and neighbors who agree they never saw anything. Most of us walk by this area every day. We love the green space and are willing to work to make it a better green space for the community. We have gathered the contact information of the neighborhood and feel like we have not been given a chance to speak on our community. Nothing was posted before the May 13 meeting! Save our green space and don't build 21 bedrooms with NO parking!</p>		
4	You're destroying out street!	Daniel Seery	danseery51@gmail.com
5	I can't call in every month - this is my 4th time on here with no answers. I feel like we aren't being treated fairly.	Daniel Seery	danseery51@gmail.com
6	Yes	Elizabeth Bonaccorso	elizabeth.bonaccorso@phdc.phila.gov
7	Why was it on 2017	Daniel Seery	danseery51@gmail.com
8	can it be added to notes that no posting on property was made available to notify community of the housing development. It only became known to community when the amendment was posted in April.	John McCarty	jkmccrty@gmail.com
9	based on what was just said, the property was sold in 2017? I though it went to bid in 2018?	John McCarty	jkmccrty@gmail.com

10	is the community's best recourse to contact out local representative?	John McCarty	jkmccrty@gmail.com
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BOARD FACTSHEET  
Meeting of October 14, 2020  
Approval of Construction Contract  
Gessler Construction Co., Inc.  
Martin Luther King Jr. Drive Trail Improvements

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**NATURE OF TRANSACTION:**

The approval of Construction Contract between the Philadelphia Redevelopment Authority (the "Authority"), as agent for the City of Philadelphia (the "City"), and Gessler Construction Co., Inc. ("Gessler") for the Martin Luther King Jr. Drive Trail improvement project, located on Martin Luther King Jr. Drive from Spring Garden Street Bridge to the Falls Bridge (the "Project").

The project includes the replacement of existing concrete sidewalks and asphalt trail, tree and stump removal, new signage, ADA striping and fencing.

**SELECTION PROCESS:**

On August 13, 2020, the Authority advertised a public bid for the project. The Authority received five (5) bids from qualified contractors. Gessler was the lowest qualified bidder.

**Gessler Construction Co., Inc.**

565 E. St. Andrews Drive

Media, PA 19063

Total Base Bid: \$1,280,100

EOP: 18% MBE; 7% WBE

**BACKGROUND/FINANCING:**

The Project will be funded with City Capital funds as outlined in the executed Grant Agreement between the Authority and the City. The Grant Agreement allows for funds to be transferred to the Authority for City projects.

Proposed Resolution and supporting project information are attached.

Prepared by: Robert LaBrum

Reviewed by: Ryan Harmon



**BOARD FACTSHEET**

Meeting of October 14, 2020

Conveyance of PRA Properties to Philadelphia Land Bank

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**Nature of Transaction:** The Philadelphia Redevelopment Authority (the "PRA") will facilitate the conveyance of title of properties owned by the PRA to the Philadelphia Land Bank:

- The conveyance of these properties will be for the disposition, reuse, and management by the Philadelphia Land Bank.
- The PRA properties listed below were approved for conveyance to the Philadelphia Land Bank in collaboration with the 1st Councilmanic District Offices.

**PROPERTY INFORMATION:**

**PRA Conveyance:** The PRA properties attached hereto as Exhibit "A" will be will be conveyed to the Philadelphia Land Bank without consideration, pursuant to Section 2109 of Land Bank Act, 68 Pa. C.S.A. § 2109(d)(3).

EXHIBIT "A"

1st Councilmanic District Properties

2842 Tulip Street

2844 Tulip Street



## BOARD FACTSHEET

Meeting of October 14, 2020

Authorization to Transfer Management and Control of Percent for Art Program to Philadelphia Housing Development Corporation

### NATURE OF REQUEST:

The Board is asked to consider a Resolution that would authorize the transfer of management and control of the Percent for Art Program to the Philadelphia Housing Development Corporation ("PHDC").

### BACKGROUND:

In 1959, the Philadelphia Redevelopment Authority (the "Authority") created the nation's first Percent for Art Program (the "Program"), requiring redevelopers who build on land purchased from or assembled by the Authority to dedicate one percent (1.00%) of their construction costs to commissioning original site-specific fine art (the "Percent for Art Contribution"). Philadelphia's reputation as a city filled with public art is well-deserved and the Authority led the way with the Program that has commissioned iconic works of art, such as Claes Oldenburg's *Clothespin* and Dennis Oppenheim's *Wave Forms*.

The Board is asked to authorize the transfer the management and control of the Program to PHDC. In an effort create the most cost-effective and efficient operation of the Program, the Authority seeks to transfer management and control of the Program to PHDC. PHDC has agreed, subject to PHDC Board approval and subject to the Authority's approval of this resolution, to assume the management and control of the Program as soon as authorized. Provided the Authority Board authorizes such transfer, PHDC staff intend to introduce a Board package authorizing PHDC to assume the management and control of the Program at an upcoming PHDC Board/Executive Committee meeting.

There are no liabilities or debt obligations held by the Authority relative to its management and control of the Program.

Proposed Resolution is attached.

Prepared by: Ryan Harmon  
 Reviewed by: Gregory Heller



**BOARD FACTSHEET**

Meeting of October 14, 2020

Approval of Grant Agreement with the Philadelphia Housing Authority

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**NAME OF SPONSOR/DEVELOPER:** Philadelphia Housing Authority ("PHA")

**NATURE OF TRANSACTION:** Authorization for the Redevelopment Authority to enter into a Grant Agreement with PHA wherein the Redevelopment Authority shall provide a grant to PHA in an amount not to exceed Five Hundred Forty Thousand Dollars (\$540,000) (the "Grant").

The proceeds of the Grant shall be used by PHA for the purposes outlined in the Memorandum of Understanding dated September 13, 2020 ("MOU"), regarding the collaboration known as the "Shared Space, A New Shared Housing Pilot" (the "SHP Program"), to rehabilitate at least ten (10) units with up to forty (40) bedrooms for the SHP Program.

**COMMENTS OR OTHER CONDITIONS:**

The source of the Grant funds are funds received from the U.S. Department of Treasury under and pursuant to the Coronavirus Aid, Relief and Economic Security Act ("CARES Act").

Proposed Resolution is attached.

Prepared by: Ryan Harmon



**BOARD FACTSHEET**

Meeting of October 14, 2020

Providing Authorization to Certain Redevelopment Authority

Assigned Staff to Execute Deeds and Other Documents Ancillary to  
Property Settlements

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**NATURE OF REQUEST:**

The Board is requested to adopt a resolution which will delegate to certain Redevelopment Authority assigned staff the authority to execute deeds and other documents ancillary to property settlements on behalf of the Redevelopment Authority.

Specifically, it is requested that (i) signatory authority be granted to Gregory Heller, Executive Director, and Angel Rodriguez, Deputy Executive Director of Real Estate, to execute deeds, settlement statements and any other documents necessary and/or incident to property settlements and other closing documents, and (ii) authority be granted to Daiana Ramos, as settlement coordinator, to execute settlement statements and any other documents other than deeds necessary and/or incident to property settlements and other closing documents.

The proposed Resolution is attached.



## BOARD FACTSHEET

Meeting of October 14, 2020

Forgiveness of 2005 Loan (\$300,000) to Freire Charter School, L.P.

**Nature of Request:** The Board is requested to authorize Redevelopment Authority staff to forgive a loan given to Freire Charter School, L.P. ("Freire"), in the amount of Three Thousand Dollars (\$300,000).

### Background:

On October 14, 2005, the Redevelopment Authority provided a loan to Freire in the amount of Three Hundred Thousand Dollars (\$300,000) (the "Loan"), which is evidenced by a Note between the Redevelopment Authority, as payee, and Freire, as maker, dated October 14, 2005 (the "Note"). The proceeds of the Loan were used to assist in the rehabilitation of a charter school located at 2025-27 Chestnut Street ("Chestnut Street Property"), which is currently being leased to Freire by the Redevelopment Authority for a term of sixty (60) years. The Loan term is for a period of fifteen (15) years from the date of the Note and no principal payments are due during the term of the Loan. The rate of interest on the Note is zero percent (0%), with full payment due at the end of the Loan term, i.e. October 14, 2020.

The above-described Loan was originally approved by the Redevelopment Authority to be a grant to assist with the cost of fit out of the Chestnut Street Property. However, because Freire needed additional funds to complete the fit-out, Freire also sold historic tax credits and, in so doing, had to create a for profit entity to take advantage of those tax credits. Because of the tax credit structure, Freire realized that it could not accept such a grant from the Redevelopment Authority without having to pay tax on it and, as such, the proposed grant was converted to the Loan.

Freire has now requested that the Redevelopment Authority forgive the Loan which is the matter before the Board today.

Proposed Resolution is attached

Prepared by: Ryan Harmon



## BOARD FACTSHEET

Meeting of October 14, 2020

Sale, Assumption and Subordination of Loans

South 55<sup>th</sup> Street and Brooks School

### TRANSACTION SUMMARY

The Philadelphia Redevelopment Authority's ("Authority") consent to the sale of South 55<sup>th</sup> Street Apartments ("South 55<sup>th</sup> Project") and Brooks School ("Brooks Project") and permit the assumption and subordination of existing debt provided by the Authority. Both the South 55<sup>th</sup> Project and the Brooks Project were sponsored by the Ingerman Group ("Ingerman").

### BACKGROUND

#### South 55<sup>th</sup> Street Apartments

In 1996, the Authority provided a loan of Six Hundred Sixty Thousand Dollars (\$660,000) ("South 55<sup>th</sup> Loan") to South 55<sup>th</sup> Street Limited Partnership ("South 55<sup>th</sup> Borrower") secured by a second mortgage ("South 55<sup>th</sup> Mortgage") and evidenced by a note. The proceeds of the South 55<sup>th</sup> Loan provided a portion of the financing for the rehabilitation and new construction of twenty (20) units of affordable rental housing for low-income residents located at 800-818 South 55<sup>th</sup> Street ("South 55<sup>th</sup> Property").

The South 55<sup>th</sup> Loan bears interest at one percent (1%) with payments to begin on January 1, 2028 ("Payment Date"). Beginning on the Payment Date, payments are due in equal annual installments in such amounts as will fully amortize the South 55<sup>th</sup> Loan by January 1, 2038.

The fifteen (15) year low income housing tax credit compliance period has ended and Ingerman has requested the Authority's consent to sell the South 55<sup>th</sup> Project to 800 South 55<sup>th</sup> LLC ("South 55<sup>th</sup> Buyer") - an entity formed to purchase the Property whose managing member is Dwight City Group ("DCG"). The sale price of the South 55<sup>th</sup> Property will be One Million Three Hundred Twenty-five Thousand Dollars (\$1,325,000). The South 55<sup>th</sup> Borrower will pay the accumulated interest until settlement on the South 55<sup>th</sup> Loan or a specific date authorized by the Authority and the principal of the South 55<sup>th</sup> Loan will be assumed by the South 55<sup>th</sup> Buyer ("South 55<sup>th</sup> Assumed Debt"). The first mortgage to the Pennsylvania Housing Finance Agency ("PHFA") will be paid in full. The South 55<sup>th</sup> Buyer will have an acquisition loan from American Heritage ("AH") in an amount not to exceed Four Hundred Ninety-Five Thousand Dollars (\$495,000). AH will require a first lien position on the South 55<sup>th</sup> Property and the South 55<sup>th</sup> Mortgage will remain in a second lien position on the South 55<sup>th</sup> Property.

**Brooks School**

In 1997, the Authority provided a loan of One Million Five Hundred Thousand Dollars (\$1,500,000) ("Brooks Loan") to Brooks School Associates, L.P. ("Brooks Borrower") secured by a mortgage ("Brooks Mortgage") and evidenced by a note. The proceeds of the Brooks Loan provided a portion of the financing for the rehabilitation of thirty-three (33) units of affordable rental housing for low-income residents located at 5631-43 Haverford Avenue ("Brooks Property"). The Brooks Loan has a term of thirty (30) years at one percent (1%) interest.

The fifteen (15) year low income housing tax credit compliance period has ended, and Ingerman has requested the Authority's consent to sell the Brooks Project to 5630 Wyalusing LLC ("Brooks Buyer") - an entity formed to purchase the Property who managing member is DCG. The sale price of the Brooks Property will be One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000). The Brooks Borrower will pay a portion of the accumulated interest in the amount of One Hundred Fifty Thousand Dollars (\$150,000) and the principal amount of the Brooks Loan will be assumed by the Brooks Buyer ("Brooks Assumed Debt").

**Dwight City Group**

DCG is a multi-family focused real-estate investment company. Some multi-family buildings currently in the Philadelphia portfolio include:

- Liberty Tower – 1101 North 63<sup>rd</sup> Street-Philadelphia
- Scenic Apartments- 303-309 North 65<sup>th</sup> Street & 6526 W. Girard Avenue
- Colonial Apartments – 5427 Wayne Avenue
- Frederick Douglas – 5600 Germantown Avenue
- Fieldview Apartments 715 Church Lane
- Northwood Manor – 1300 Foulkrod Street

**BOARD ACTION**

- Permit the transfer of the South 55<sup>th</sup> Property to the South 55<sup>th</sup> Buyer and Brooks Property to Brooks Buyer
- Permit the assumption by the South 55<sup>th</sup> Buyer of the South 55<sup>th</sup> Assumed Debt
- Permit the assumption by the Brooks Buyer of the Brooks Assumed Debt
- Subordinate the South 55<sup>th</sup> Loan to the financing provided by AH in the amount of \$495,000
- Forgive a portion of accrued interest on the Brooks Loan

COMMENTS OR OTHER CONDITIONS

- DCG is compliant with the City of Philadelphia Revenue Department and has no outstanding tax obligations.
- According to the City's eCLIPSE system, DCG has unresolved violations of City L & I Codes. The conveyance of South 55<sup>th</sup> Property and Brooks Property will be contingent on the Authority receiving acceptable documentation that L & I violations have been resolved with the City.

The proposed resolution is attached



## BOARD FACTSHEET

Meeting of October 14, 2020  
 Non-Recourse Construction/Permanent Loan  
 Hogar de Esperanza, Phase III

**NAME OF BORROWER:** Refugio de Amor, L.P. ("Borrower")

**NAME OF SPONSOR:** Asociacion Puertorriquenos en Marcha, Inc. ("APM")

**Nature of Transaction:** Authorization for the Authority to provide financing for the preservation of Hogar de Esperanza development, a twenty (20) unit special needs low-income housing tax credit development ("Project") located at 2203-31, 2237, 2243-51 Germantown Avenue, 2202-04 N. Sixth Street and 2226-66 Cadwallader Avenue, now known as 2203-31 Germantown Avenue (collectively, the "Property"), in an amount not to exceed Eight Hundred One Thousand Forty-Five Dollars (\$801,045) ("Authority Loan 3").

### BACKGROUND/PROJECT DESCRIPTION:

In 1997, the Authority provided a non-recourse construction/permanent loan in the amount of Three Hundred Sixty-Four Thousand Dollars (\$364,000) to assist with the construction of the Project ("Authority Loan"). The Authority extended the maturity date on the Authority Loan in accordance with Resolution #2019-45, adopted on June 12, 2019, until August 19, 2049 ("Maturity Date").

In 2019, APM developed a preservation plan for the Project that included replacing the HVAC system and windows with energy star equipment that was partially funded by the Authority in the amount of Five Hundred Sixty-Five Thousand Six Hundred Forty-Five Dollars (\$565,645) ("Authority Loan 2"). The Authority Loan and Authority Loan 2 are at zero (0%) percent interest, both due and payable at the Maturity Date.

As part of the continuing preservation plan, APM requested and was awarded additional financing from the Division of Housing and Community Development in the amount of Eight Hundred One Thousand Forty-Five Dollars (\$801,045) to replace the aging flooring in all hallways, repainting common walls, repairs to the elevator system, and removal of existing stucco to be replaced with more durable Hardi-Plant.

The Authority Loan 3 will be at zero percent (0%) interest and will be due and payable in thirty (30) years. The Authority Loan 3 will be in third lien position on the Property behind the Authority Loan and the Authority Loan 2.

**COMMENTS OR OTHER CONDITIONS:**

The City has approved the Economic Opportunity Plan for this Project. The Development Team has no outstanding tax issues. The Authority housing construction department has approved the scope of work and costs of the construction for this Project. The Philadelphia Planning Commission has stated that they do not need to review since there are no federal dollars in the Project.

**BOARD ACTION REQUIRED:**

1. Authorize the Authority to enter into a non-recourse construction/permanent loan agreement with the Borrower in an amount not to exceed Eight Hundred One Thousand Forty-Five Dollars (\$801,045).

Proposed Resolution is attached

Prepared by: James L. Brown, V, Housing Development Officer  
Reviewed by: Darci Bauer, Housing Finance Director



**BOARD FACTSHEET**  
 Meeting of October 14, 2020  
 Artist Village Apartments  
 Modification of a Loan

**TRANSACTION SUMMARY**

Modification of a Philadelphia Redevelopment Authority ("Authority") loan in connection with the Artist Village Apartments.

**BACKGROUND**

**Artist Village Apartments**

In July 1995, the Authority provided financing in the amount of Eight Hundred Fifty Thousand Dollars (\$850,000) ("Authority Loan") to Artist Village Associates, LP ("Borrower"), a Pennsylvania limited partnership created by the Ingerman Group. The financing was utilized to develop thirty-six (36) affordable rental housing units ("Project") through the rehabilitation of two (2) vacant buildings located at 700-34 S. 17<sup>th</sup> Street ("Property").

The Authority Loan has a term of forty (40) years and bears interest at the Applicable Federal Rate ("AFR") which was 7.6% at the time of the Authority Loan closing with no payments due for twenty-six (26) years. The current balance of the Authority Loan, including accrued interest, is Four Million Nine Hundred Five Thousand Nine Hundred Forty-Seven Dollars (\$4,905,947). Beginning on the 26<sup>th</sup> anniversary, monthly installments of principal and interest are due until the Authority Loan is paid in full in year forty (40) ("Maturity Date").

The Borrower has requested the Authority restructure the debt and payment provisions of the Authority Loan by revising the interest rate to zero percent (0%) in exchange for early repayment of the Authority Loan. The repayment terms would be: One Million Dollars (\$1,000,000) paid upon execution of the revised Authority Loan ("Execution Date"), One Million Dollars (\$1,000,000) on the first, second, and third anniversary of Execution Date and the balance of Nine Hundred Five Thousand Nine Hundred Forty-Seven Dollars (\$905,947) be paid by or before the Maturity Date of the Authority Loan.

**BOARD ACTION**

The Board is asked to consent to a modification of the terms of the Authority Loan as follows:

- Reduce the interest rate to zero (0%) percent;
- Provide for earlier repayment of the Authority Loan.

Proposed Resolution is attached

Prepared by: Darci Bauer, Director of Housing Finance



## BOARD FACTSHEET

Meeting of October 14, 2020

Rescinding Resolution No. 2020-56, adopted on September 9, 2020

City of Philadelphia – Department of Public Property

**Nature of Transaction:** The Philadelphia Redevelopment Authority ("PRA") seeks authorization to rescind Resolution No. 2020-56, adopted on September 9, 2020, and to facilitate the conveyance of title from the City to identified Grantee listed below.

- The City of Philadelphia ("City") Commissioner of Public Property determines City surplus properties should be made available for disposition in accordance with Chapter 16-400 of the City Code.
- Properties and Grantees listed below were recommended by the City Commissioner of Public Property for disposition.
- The City Commissioner of Public Property has also recommended to City Council the below disposition.
- Pursuant to a Memorandum of Understanding between the City and the Philadelphia Land Bank ("PLB") dated April 8, 2019, the PLB has reviewed the proposed dispositions, have agreed with the recommendation of the City Commissioner of Public Property.
- The PLB, on as agent for the City, will prepare a Purchase and Development Agreement ("PDA") against the below property to be recorded prior to any conveyance.
- The conveyance of these properties to the Grantees for reuse will relieve the City of the care, maintenance and management of the properties and help arrest blight in the neighborhoods and restore the property to productive use.
- Pursuant to Resolution No. 2020-56, adopted on September 9, 2020, the PRA approved a development package for the below property. Because the below property is actually owned by the City, this property should have been approved as a City transfer and not a PRA development project. As such, request is sought to also rescind Resolution No. 2020-

56, adopted on September 9, 2020.

**PROPERTY INFORMATION:**

- 1) **Self-amortizing Mortgage Disposition:** The following property will be conveyed at fair market value as determined by an appraisal, with a self-amortizing mortgage for the purchase price:

<u>Address</u>	<u>Grantee</u>	<u>Price</u>
28 Reger Street	Clark Roofing Company	\$15,000



**BOARD FACTSHEET**

Meeting of November 4, 2020

Conveyance of PRA Properties to Philadelphia Land Bank

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**Nature of Transaction:** The Philadelphia Redevelopment Authority (the "PRA") will facilitate the conveyance of title of properties owned by the PRA to the Philadelphia Land Bank:

- The conveyance of these properties will be for the disposition, reuse, and management by the Philadelphia Land Bank.
- The PRA properties listed below were approved for conveyance to the Philadelphia Land Bank in collaboration with the 5<sup>th</sup> Council District Office.

**PROPERTY INFORMATION:**

**PRA Conveyance:** The PRA properties attached hereto as Exhibit "A" will be conveyed to the Philadelphia Land Bank without consideration, pursuant to Section 2109 of Land Bank Act, 68 Pa. C.S.A. § 2109(d)(3).

EXHIBIT "A"

Properties Owned by Philadelphia Redevelopment Authority to be Transferred to  
Philadelphia Land Bank

5th Councilmanic District Properties

1331 N. 8<sup>th</sup> Street  
2500 N. 31<sup>st</sup> Street  
2401 N. 32<sup>nd</sup> Street  
2549 ½ N. 32<sup>nd</sup> Street a/k/a 2551 N. 32<sup>nd</sup> Street  
2401 N. 33<sup>rd</sup> Street

**RESOLUTION NO.**

**PHILADELPHIA LAND BANK – RESOLUTION AUTHORIZING THE CONVEYANCE OF CERTAIN PROPERTIES OWNED BY THE PHILADELPHIA REDEVELOPMENT AUTHORITY TO THE PHILADELPHIA LAND BANK**

**WHEREAS**, Act 153 of 2012, 68 Pa. C.S.A. § 2101, *et seq.* (the "Land Bank Act") authorized the City of Philadelphia ("City") to create a land bank in accordance with the Land Bank Act; and

**WHEREAS**, the City, in Bill No. 130156-A (approved December 18, 2013), authorized the creation of the Philadelphia Land Bank and provided for its appointment, powers and duties; and

**WHEREAS**, under Section 2109 of Land Bank Act, 68 Pa. C.S.A. § 2109(d)(3), a redevelopment authority, with the consent of the local governing body and without a redevelopment contract, may convey title to certain redevelopment authority property to a land bank; and

**WHEREAS**, the properties identified on Exhibit "A" to this Resolution which are owned by the Philadelphia Redevelopment Authority qualify for transfer from the Philadelphia Redevelopment Authority to the Philadelphia Land Bank as provided by Section 2109 of the Land Bank Act; and

**WHEREAS**, the transfer of the properties identified on Exhibit "A" to this Resolution to the Philadelphia Land Bank will promote the public purposes for which the City created the Philadelphia Land Bank;

**NOW THEREFORE, BE IT RESOLVED** by the Philadelphia Redevelopment Authority, that authorization is hereby given to the Philadelphia Redevelopment Authority to convey title to those properties identified on Exhibit "A" hereto, to the Philadelphia Land Bank, and for the preparation, execution, acknowledgment and delivery of deeds to the Philadelphia Land Bank, without consideration, pursuant to Section 2109 of Land Bank Act, 68 Pa. C.S.A. § 2109(d)(3), and to obtain the appropriate councilmanic action.

**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.

**EXHIBIT "A"**

**Properties Owned by Philadelphia Redevelopment Authority to be Transferred to Philadelphia Land Bank**

**5th Councilmanic District Properties**

1331 N. 8<sup>th</sup> Street

2500 N. 31<sup>st</sup> Street

2401 N. 32<sup>nd</sup> Street

2549 ½ N. 32<sup>nd</sup> Street A/K/A 2551 N. 32<sup>nd</sup> Street

2401 N. 33<sup>rd</sup> Street



**BOARD FACTSHEET**

Meeting of November 4, 2020

Conveyance City Properties to Philadelphia Land Bank

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**Nature of Transaction:** The Philadelphia Redevelopment Authority ("PRA") will facilitate the conveyance of title of properties owned by the City to the Philadelphia Land Bank.

- The conveyance of these properties will be for the disposition, reuse, and management by the Philadelphia Land Bank.
- The City properties listed below were approved for the conveyance to the Philadelphia Land Bank in collaboration with the 3rd and 5th Councilmanic District Offices.

**PROPERTY INFORMATION:**

**City Conveyance:** The City properties attached hereto as Exhibit "A" will be conveyed the Philadelphia Redevelopment Authority for the subsequent conveyance to the Philadelphia Land Bank, without consideration, pursuant to Chapter 16-700 of The Philadelphia Code.

**EXHIBIT "A"**

**3<sup>rd</sup> Councilmanic District Properties**

5107 Market Street  
5109 Market Street  
5111 Market Street  
5113 Market Street  
5121 Market Street  
5123 Market Street  
5125 Market Street  
15 N. Paxon Street  
16 N. Paxon Street  
18 N. Paxon Street

**5<sup>th</sup> Councilmanic District Properties**

2338 N 31<sup>st</sup> Street  
2340 N 31<sup>st</sup> Street  
2408 N 31<sup>st</sup> Street  
2410 N 31<sup>st</sup> Street  
2412 N 31<sup>st</sup> Street  
3010 W York Street  
3012 W York Street  
3013 W York Street  
3014 W York Street  
3015 W York Street  
3108 W York Street  
3200 W York Street  
3202 W York Street  
3204 W York Street  
3206 W York Street  
3214 W York Street  
3222 W York Street

**RESOLUTION NO.**

**PHILADELPHIA LAND BANK – RESOLUTION AUTHORIZING THE ACCEPTANCE OF TITLE FROM THE CITY OF PHILADELPHIA TO VARIOUS PROPERTIES AND CONVEYANCE OF SUCH PROPERTIES BY THE PHILADELPHIA REDEVELOPMENT AUTHORITY TO THE PHILADELPHIA LAND BANK**

**WHEREAS**, Act 153 of 2012, 68 Pa. C.S.A. § 2101, *et seq.* (the "Land Bank Act") authorized the City of Philadelphia ("City") to create a land bank in accordance with the Land Bank Act; and

**WHEREAS**, the City, in Bill No. 130156-A (approved December 18, 2013), authorized the creation of the Philadelphia Land Bank and provided for its appointment, powers and duties; and

**WHEREAS**, Section 16-705 of The Philadelphia Code authorizes the City's Commissioner of Public Property to convey real property to the Philadelphia Redevelopment Authority, without consideration, for subsequent transfer to the Philadelphia Land Bank; and

**WHEREAS**, the properties identified on Exhibit "A" to this Resolution have been deemed surplus property by the City and the transfer of such properties to the Philadelphia Redevelopment Authority for subsequent transfer to the Philadelphia Land Bank will promote the public purposes for which the City created the Land Bank; and

**NOW THEREFORE, BE IT RESOLVED** by the Philadelphia Redevelopment Authority, that authorization is hereby given to the Philadelphia Redevelopment Authority to accept title from the City of Philadelphia to those properties identified on Exhibit "A," hereto, and for the conveyance and preparation, execution, acknowledgment and delivery of deeds to the Philadelphia Land Bank, without consideration, pursuant to Chapter 16-700 of The Philadelphia Code.

**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.

**EXHIBIT "A"**

**3<sup>rd</sup> Councilmanic District Properties**

5107 Market Street  
5109 Market Street  
5111 Market Street  
5113 Market Street  
5121 Market Street  
5123 Market Street  
5125 Market Street  
15 N. Paxon Street  
16 N. Paxon Street  
18 N. Paxon Street

**5<sup>th</sup> Councilmanic District Properties**

2338 N 31<sup>st</sup> Street  
2340 N 31<sup>st</sup> Street  
2408 N 31<sup>st</sup> Street  
2410 N 31<sup>st</sup> Street  
2412 N 31<sup>st</sup> Street  
3010 W York Street  
3012 W York Street  
3013 W York Street  
3014 W York Street  
3015 W York Street  
3108 W York Street  
3200 W York Street  
3202 W York Street  
3204 W York Street  
3206 W York Street  
3214 W York Street  
3222 W York Street



## BOARD FACTSHEET

Meeting of November 4, 2020

Approval of First Amendment to Contract for Professional Services with Talson Solutions, LLC

400 North Broad Street, Including 1501 Callowhill Street

**NATURE OF REQUEST:**

The approval of a First Amendment to the Contract for Professional Services ("**Services Contract**") between the Philadelphia Redevelopment Authority (the "**Authority**"), as agent for the City of Philadelphia ("**City**"), and Talson Solutions, LLC ("**Talson**"), for construction management and owner's representation at the properties located at 400 N. Broad Street (the "**Broad Street Property**") and 1501 Callowhill Street (the "**Callowhill Street Property**") (the Broad Street Parcel and the Callowhill Street Parcel, together, the "**Properties**"). The First Amendment would extend the term of the Services Contract for one (1) additional year, with a maximum additional compensation not to exceed One Hundred Fifty Thousand Dollars (\$150,000).

**BACKGROUND:**

The Properties are currently being developed by 400 North Broad Partners, L.P. ("**Landlord**") and will be delivered as a turnkey project for the City to occupy. The Broad Street Property contains approximately 468,234 rentable square feet which is anticipated to be developed for use by the Philadelphia Police Department, with various operational, administrative and accessory offices including, but not limited to, the City morgue and toxicology lab, and City Fire Department offices including the City Fire Command Center. The Callowhill Street Property is currently striped for 590 standard automobile parking stalls and will continue to be used for parking. Landlord will be performing the rehabilitation/development of the Properties at the direction of the City (herein, the "**Project**")

Per Resolution No. 2017-74, adopted by the Authority on September 13, 2017, the Authority, as agent for the City, entered into the Services Contract with Talson for construction management and owner's representation at the Properties. The Services Contract has a term that ran for three (3) years, or upon expenditure of maximum compensation, whichever was sooner. The Services Contract currently has approximately \$157,595 remaining from the original \$1,104,480 contract amount.

Development of the Properties is ongoing and there have been delays. Accordingly, the City has requested an extension of the Services Contract for one (1) additional year, with a maximum additional compensation not to exceed One Hundred Fifty Thousand Dollars (\$150,000). The extension will allow the continued construction management and owner's representation of the development of the Properties for the City.

**BACKGROUND/FINANCING:**

All costs incurred/expended by the Authority under the Contract for Professional Services are paid by the City pursuant to a Cooperation Agreement between the City and the Authority dated October 16, 2017, as amended.

Proposed Resolution is attached.

Prepared by: Robert LaBrum  
Reviewed by: Ryan Harmon

**RESOLUTION NO.**

**RESOLUTION AUTHORIZING THE PHILADELPHIA REDEVELOPMENT AUTHORITY, AS AGENT FOR THE CITY OF PHILADELPHIA, TO ENTER INTO A FIRST AMENDMENT TO CONTRACT FOR PROFESSIONAL SERVICES WITH TALSON SOLUTIONS, LLC, FOR CONSTRUCTION MANAGEMENT AND OWNER'S REPRESENTATION AT 400 NORTH BROAD STREET, INCLUDING 1501 CALLOWHILL STREET**

**WHEREAS**, Pursuant to Resolution No. 2017-74, adopted on September 17, 2017, the Philadelphia Redevelopment Authority ("Authority") Board approved a Contract for Professional Services ("Services Contract") between the Authority, as agent for the City of Philadelphia (the "City"), and Talson Solutions, LLC ("Talson"), for construction management and owner's representation at 400 North Broad Street, including 1501 Callowhill Street (collectively, the "Properties").

**WHEREAS**, the Services Contract was executed by the parties on October 19, 2017, and had a term of three (3) years.

**WHEREAS**, the Authority seeks authorization for a one (1) year extension to the Services Contract with additional compensation not to exceed One Hundred Fifty Thousand (\$150,000), to oversee the completion of work at the Properties.

**NOW THEREFORE, BE IT RESOLVED**, by the Philadelphia Redevelopment Authority, the authorization is hereby given to the Authority's Executive Director to enter into a First Amendment to the Services Contract, as agent for the City, with Talson, which will extend the term of the Services Contract for one (1) year, with additional compensation not to exceed One Hundred Fifty Thousand (\$150,000).

**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 and Construction Services Contract necessary or desirable to carry out its purposes and intents.

**BOARD FACTSHEET**

Meeting of November 4, 2020

Second Amendment to Redevelopment Agreement

6161 W. Girard Avenue

**NAME OF DEVELOPER/APPLICANT:** Calvary Agape Development Corporation

**Nature of Transaction:** Per Resolution No. 2017-46 adopted on June 14, 2017, as previously amended by Resolution No. 2018-94, adopted on November 14, 2018, the Philadelphia Redevelopment Authority ("Authority") entered into a Redevelopment Agreement with Calvary Agape Development Corporation ("Calvary") wherein Calvary agreed to develop the property located at 6161 W. Girard Avenue (the "Property") into a child care center comprised of five (5) classrooms (three (3) on second floor, one (1) on first floor and one (1) in basement), a large play area, an administrative office and kitchen (the "Project").

Calvary has informed the Authority the original general contractor that was engaged by Calvary failed to secure the permits and plans needed to construct the Project. Calvary ended that contract and secured another general contractor to complete the Project. On October 23, 2020, permits were secured and rehabilitation is scheduled to commence on November 9, 2020.

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

1. Extend the construction start date to November 9, 2020
2. Extend the construction completion date to June 30, 2021

**Legal Entity/Other Partners (if applicable):** Calvary Agape Development Corporation

- Garth G. Gittens – President
- Dennis Lee – Vice President
- Larry Washington - Secretary

**Mailing Address:** 6142 Haverford Avenue, Philadelphia, PA 19151**PROPERTY INFORMATION:** 6161 W. Girard Avenue**Description:** 1,491 sq. ft., vacant structure      **Zoning:** RSA3      **Use:** Residential**Disposition Value:** \$45,000.00

**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 violation of City L&I codes.

Per Chapter 17-1600 of the Philadelphia Code, the Economic Opportunity Plan ranges have been approved by the City at MBE – 15% and WBE – 10%.

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

Prepared by: Tracy Pinson-Reviere, Project Manager II  
Reviewed by: Angel Rodriguez, Senior Vice President of Land Development

**RESOLUTION NO.**

**RESOLUTION AUTHORIZING THE SECOND AMENDMENT TO THE REDEVELOPMENT AGREEMENT WITH CALVARY AGAPE DEVELOPMENT CORPORATION FOR THE DEVELOPMENT OF 6161 W. GIRARD AVENUE LOCATED IN THE WEST PHILADELPHIA REDEVELOPMENT AREA, PROPERTY NOT LOCATED WITHIN AN URBAN RENEWAL AREA.**

**WHEREAS**, Pursuant to Resolution No. 2017-46, adopted on June 14, 2017, as amended by Resolution No. 2018-94, adopted on November 14, 2018, the Philadelphia Redevelopment Authority ("Authority") Board authorized the selection of Calvary Agape Development Corporation ("Calvary") as developer of 6161 W. Girard Avenue (the "Property");

**WHEREAS**, Calvary and the Authority executed a Redevelopment Agreement dated April 20, 2018 ("Redevelopment Agreement"), as amended;

**WHEREAS**, Calvary took title to the Property on October 19, 2018, and agreed to develop the Property into a child care center comprised of five (5) classrooms (three (3) on second floor, one (1) on first floor and one (1) in basement), a large play area, an administrative office and kitchen (the "Project");

**WHEREAS**, due to issues with obtaining building permits, Calvary was required to secure a new general contractor to complete the Project;

**WHEREAS**, on October 23, 2020, permits were secured and rehabilitation is scheduled to commence on November 9, 2020;

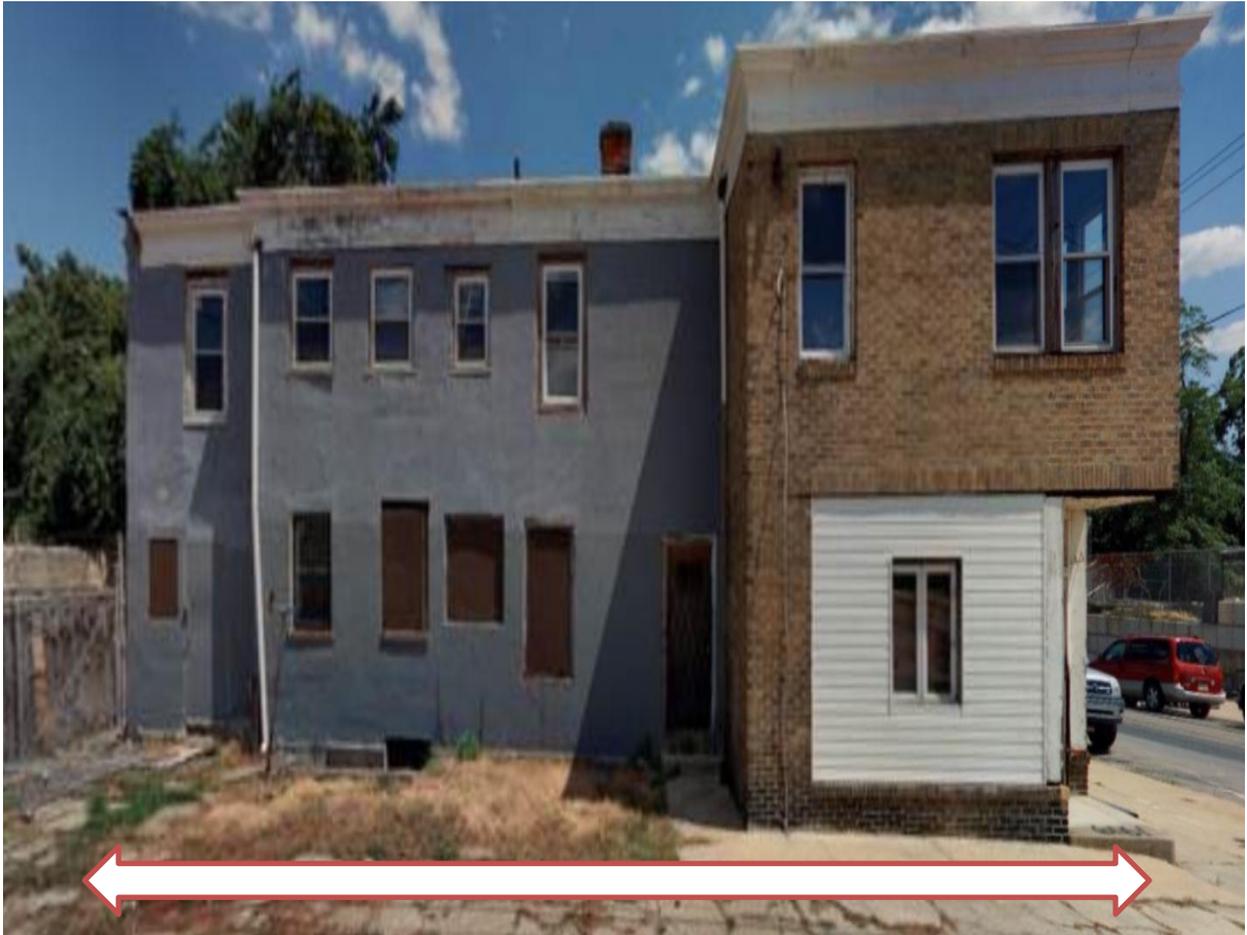
**WHEREAS**, Calvary has now requested that the Authority extend the construction start date and construction completion date so that it may complete the Project.

**NOW THEREFORE, BE IT RESOLVED**, by the Philadelphia Redevelopment Authority, that the Authority is authorized to enter into a Second Amendment to Redevelopment Agreement for 6161 W. Girard Avenue to provide:

1. Extend the construction start date to November 9, 2020; and
2. Extend the construction completion date to June 30, 2021.

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



Address: 6161 W. Girard Avenue

# Calvary Agape Development Corporation, Inc. 6161 W. Girard Avenue Project





## BOARD FACTSHEET

Meeting of November 4, 2020

Approval of Certificate of Completion

125 South 46<sup>th</sup> Street, 127-129 South 46<sup>th</sup> Street  
and 133-35 South 46<sup>th</sup> Street

**NAME OF DEVELOPER/APPLICANT:** 125-135 S 46th Street Associates, LP

**NATURE OF REQUEST:** The Board is asked to consider a Resolution authorizing the issuance of a Certificate of Completion for 125 South 46<sup>th</sup> Street, 127-129 South 46<sup>th</sup> Street and 133-135 South 46<sup>th</sup> Street (collectively, the "Properties").

**BACKGROUND:** Per Resolution No. 2016-108 adopted on October 20, 2016, as previously amended by Resolution No. 2018-63, adopted on August 8, 2018, the Redevelopment Authority entered into a Redevelopment Agreement with 125-135 S 46<sup>th</sup> Street Associates, LP ("Developer") to develop the Properties into two (2) three story properties of multi-family rental housing, totaling nineteen (19) units. The sale price for the Properties was Two Hundred Seventy Thousand Dollars (\$270,000). The documents relevant to this transaction are as follows:

- April 11, 2017 – Deed – Doc. ID No. 53198201
- April 11, 2017 – Redevelopment Agreement – Doc. ID No. 53198202
- December 21, 2018 – First Amendment – Doc. ID No. 53457358

### DEVELOPMENT BACKGROUND AND REQUEST:

The housing units on the Properties were ultimately developed. Developer received its Certificates of Occupancy for the Properties from City of Philadelphia's Department of Licenses & Inspections.

Notwithstanding the above, Developer has failed to meet its Economic Opportunity Plan ("EOP") goals. The Redevelopment Authority has confirmed that the Developer failed to make a good and best faith effort to achieve the EOP goals of 18% MBE and 7% WBE as the goals achieved were only 0.44% MBE and 6% WBE. As construction is now complete, there is no opportunity to correct the situation and make efforts to meet the EOP goals.

The Board is being asked to consider the issuance of a Certificate of Completion as the remaining requirements of the Redevelopment Agreement have been met by the Developer.

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

Prepared by: Tracy Pinson-Reviere, Project Manager II  
Reviewed by: Angel Rodriguez, Senior Vice President of Land Development

**RESOLUTION NO.**

**RESOLUTION APPROVING THE ISSUANCE OF A CERTIFICATE OF COMPLETION FOR 125 SOUTH 46<sup>TH</sup> STREET; 127-129 SOUTH 46<sup>TH</sup> STREET AND 133-135 SOUTH 46<sup>TH</sup> STREET, LOCATED IN THE 45<sup>TH</sup> AND SANSOM REDEVELOPMENT AREA, 45<sup>TH</sup> AND SANSOM URBAN RENEWAL AREA**

**WHEREAS**, the Philadelphia Redevelopment Authority entered into a Redevelopment Agreement ("Agreement") with 125-135 S 46th Street Associates, LP, dated October 14, 2016, for the development of 125 South 46th Street, 127-129 South 46th Street and 133-135 South 46th Street (collectively, the "Properties");

**WHEREAS**, the Agreement was amended pursuant to Resolution No. 2018-63, adopted on August 8, 2018; and

**WHEREAS**, the Properties have been developed in accordance with the 45<sup>th</sup> and Sansom Urban Renewal Area requirements;

**NOW THEREFORE, BE IT RESOLVED**, by the Philadelphia Redevelopment Authority, that the Executive Director is hereby authorized to issue a Certificate of Completion certifying the completion of development at 125 South 46th Street, 127-129 South 46th Street and 133-135 South 46th Street.

**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.



Address: 125 and 127-129 South 46<sup>th</sup> Street



Address: 133-135 South 46<sup>th</sup> Street

**125-135 S 46th Street Associates, LP  
125 and 127-129 South 46th Street  
and 133-135 South 46th Street Project**

Item III (b)

