PHILADELPHIA REDEVELOPMENT AUTHORITY
1234 MARKET STREET, 16TH FLOOR
PHILADELPHIA, PA 19107

BOARD MEETING
WEDNESDAY, DECEMBER 09, 2020

Executive Session – 3:30 P.M.
Open Session – 4:00 P.M.

AGENDA

APPROVAL OF BOARD MINUTES
Meeting of November 04, 2020

I. EXECUTIVE DIRECTOR'S REPORT

II. ADMINISTRATIVE

(a) Amendment to Minutes of August 12, 2020
Habitat for Humanity Philadelphia, Inc.
Replacement of Item III(b) Fact Sheet

(b) Approval of First Amendment to Grant Agreement
with the City of Philadelphia, Acting Through its
Department of Public Property and its Finance
Department

(c) Approval of Second Amendment to Grant Agreement
with the City of Philadelphia, Acting Through its Department
of Parks & Recreation and its Finance Department

(d) Cooperation Agreement
The City of Philadelphia, Acting Through its Water
Department

(e) Approval of Grant Agreement with the
Philadelphia Housing Authority
AGENDA
Board Meeting of December 9, 2020
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III. HOUSING FINANCE

(a) Carl Mackley Apartments Preservation Development
    1401 E. Bristol Street
    **Sale, Assumption, Modification, Subordination of Existing Loans and New Financing for the Carl Mackley Apartments**

(b) Parkside Neighborhood Preservation
    1237-1243 Belmont Avenue, 4104 Parkside Avenue, 4106 Parkside Avenue, 4201 Girard Avenue, 4202 Parkside Avenue, 4208 Parkside Avenue, 4210 Parkside Avenue, 4216 Parkside Avenue, 4218 Parkside Avenue, 4222 Parkside Avenue, 4238 Parkside Avenue, 4240 Parkside Avenue and 4244 Parkside Avenue
    **New Financing and Modification of Existing Loan**

(c) Rowan Judson Diamond Preservation Development
    1901-1927, 1900-1906 and 1912-1920 Judson Street
    **New Financing and Modification of Existing Loans to 1900 North Judson Limited Partnership and 2700 Diamond Development Corporation**
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.

A virtual meeting of the Board of Directors of the Philadelphia Redevelopment Authority was held on Wednesday, November 04, 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, Robert LaBrum and Elizabeth Bonaccorso.

Also in attendance: Peilin Chen, City Finance; Abwrei Abwrei (name provided), Charles Lomax, Michael Bowman, and Women in Housing & Finance PA WHF-PA (name provided).

ANNOUNCEMENTS

None.
MINUTES

Ms. Fadullon called for a motion to approve the amended minutes of the Board meeting of October 14, 2020.

Upon motion made and duly seconded, the amended minutes of October 14, 2020 were approved.

EXECUTIVE DIRECTOR'S REPORT

Mr. Heller stated that today is the last day to apply for Phase 2 rent assistance. Tenants and landlords must apply by 11:59 tonight in order to receive assistance. Mr. Heller stated that anyone can visit PHLRentAssist.org to learn more and apply. Mr. Heller encouraged landlords to learn about our Landlord Working Capital Loan Program, offered by Impact Loan Fund. Finally, Mr. Heller stated that anyone can visit impactservices.org to learn more.

ADMINISTRATIVE

Mr. Harmon presented "Item II(a) – 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. 2020-70

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. 8th Street
2500 N. 31st Street
2401 N. 32nd Street
2549 ½ N. 32nd Street A/K/A 2551 N. 32nd Street
2401 N. 33rd Street

Voting for the foregoing resolution: Ms. Fadullon, Mr. Cuorato, Ms. Buckley, Mr. Bumb and Mr. Dubow.
Mr. Harmon presented "Item II(b) – Conveyance of City 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. 2020-71

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"

3rd 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

5th Councilmanic District Properties

2338 N 31st Street
2340 N 31st Street
2408 N 31st Street
2410 N 31st Street
2412 N 31st 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

Voting for the foregoing resolution: Ms. Fadullon, Mr. Cuorato, Ms. Buckley, Mr. Bumb and Mr. Dubow.
Mr. LaBrum presented "Item II(c) – Approval of First Amendment to Contract for Professional Services, Talson Solutions, LLC" 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. 2020-72

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

DEVELOPMENT

Mr. Rodriguez presented "Item III(a) – Second Amendment to Redevelopment Agreement, Calvary Agape Development Corporation" in substance consistent with the attached Fact Sheet hereto.

Additional Comments and Discussion

Ms. Fadullon asked if the 7 ½ month extension is a realistic goal. Mr. Rodriguez replied that this is a rehab project and could be done in that timeframe; however, completion depends on how equipped the general contractor is. Mr. Rodriguez further stated this could come back to the Board for an additional extension if necessary, especially given the current situation with COVID-19.

Ms. Fadullon made a recommendation to the Board and staff to amend the resolution and extending the completion date to one (1) year. Mr. Harmon asked for confirmation that the new proposed completion date would be November 30, 2021. Ms. Fadullon replied that is correct.

Board Action

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

RESOLUTION NO. 2020-73 (AMENDED)

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 the following:

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

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

Mr. Rodriguez presented "Item III(b) – Certificate of Completion, 125-135 S 46th Street Associates, LP" in substance consistent with the attached Fact Sheet hereto.

Additional Comments and Discussion

Mr. Rodriguez informed the members of the Board that the redeveloper, 125-135 S. 46th Street Associates, LP, failed to achieve the Economic Opportunity Plan ("EOP") goals that were established at the commencement of the project.

Mr. Rodriguez pointed out that he and staff are fully aware of the recurring compliance issues with various developers and EOP compliance. Mr. Rodriguez stated that staff is discussing options to
better handle compliance failures. Some things discussed were increasing deposit amounts, imposing additional fees for not meeting goals and emphasizing and outlining during pre-construction meetings the compliance process to keep developers involved and working on these issues from the start of construction.

Mr. Rodriguez indicated that the developer on this project is in attendance. Ms. Fadullon stated for the record that good faith efforts were not made on this project.

Ms. Fadullon recognized Mr. Charles Lomax and invited him to speak. Mr. Lomax informed the Board members that this was a modular project. Mr. Lomax stated his goal was to create a minority supply company; however, he was unsuccessful and that is the reason developer did not meet EOP compliance goals. Mr. Lomax stated that his company is a minority-owned business and that his company's main goal is inclusion and hiring minority firms to assist with projects. Mr. Lomax further stated that his firm hired a minority attorney; however, this attorney works for a majority firm. Finally, Mr. Lomax stated his objective is to hire minority professionals that have the proper certifications and to create long-term business partnerships.

Ms. Fadullon asked if Mr. Lomax ended up finding a minority supplier. Mr. Lomax replied that he was able to find a minority supply company after this project was completed and that he anticipates using this company going forward.

Ms. Fadullon stated that the Board recognizes his firm is a minority firm; however, Mr. Lomax must contact the Authority immediately if any issues arise or if he believes that he will have difficulty with EOP compliance. Ms. Fadullon stated that the Board will not entertain or hear noncompliance issues with Mr. Lomax's development projects going forward.

**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. 2020-74

RESOLUTION APPROVING THE ISSUANCE OF A CERTIFICATE OF COMPLETION FOR 125 SOUTH 46TH STREET; 127-129 SOUTH 46TH STREET AND 133-135 SOUTH 46TH STREET, LOCATED IN THE 45TH AND SANSOM REDEVELOPMENT AREA, 45TH 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 45th 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.

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

ADD ON ITEM

Ms. Fadullon recused herself because of her board position on the Philadelphia Accelerator Fund.

At this time, Mr. Cuorato took over the meeting as the Chair.

Mr. Harmon presented "Item IV – Amendment to Resolution No. 2020-25, Adopted May 13, 2020; Approval of Nonrecourse Loan to Philadelphia Accelerator Fund" in substance consistent with the attached Fact Sheet hereto.

Additional Comments and Discussion

Mr. Harmon informed the Board members that the Philadelphia Accelerator Fund ("PAF") is a non-profit organization. PAF's mission is to preserve affordable housing for the residents of Philadelphia. Mr. Harmon stated that PAF's Board of Directors is comprised of 13 members (8 private sector members and 5 public-sector members). Mr. Harmon stated that PHDC staff is managing the affairs of PAF at this time, but it is expected that PAF will operate independently in the near future. PAF is anticipated to apply to become a Community Development Financial Institution ("CDFI").

Finally, Mr. Harmon stated that since the loan documents have not been executed, there is no need to amend the loan documents. Rather, authorization is sought only to amend the prior resolution to
increase the principle amount by One Million Dollars ($1,000,000) such that the total amount of
the Authority loan shall be in an amount not to exceed Nine Million Dollars ($9,000,000).

**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. 2020-75**
(Amending Resolution No. 2020-25, adopted May 13, 2020)

RESOLUTION AUTHORIZING AN AMENDMENT TO RESOLUTION NO. 2020-25,
ADOPTED ON MAY 13, 2020, PROVIDING THAT THE PRINCIPAL AMOUNT OF
THE PHILADELPHIA REDEVELOPMENT AUTHORITY LOAN TO PHILADELPHIA
ACCELERATOR FUND SHALL BE INCREASED TO AN AMOUNT NOT TO EXCEED
NINE MILLION DOLLARS ($9,000,000)

WHEREAS, pursuant to Resolution No. 2020-25, adopted May 13, 2020, the
Philadelphia Redevelopment Authority ("Authority") Board authorized the Authority to provide
a loan in an amount not to exceed Eight Million Dollars ($8,000,000) (the "Authority Loan") to
Philadelphia Accelerator Fund ("Borrower"), a Pennsylvania domestic nonprofit corporation, for
the purpose of leveraging private capital that will be used to invest in producing and/or
preserving affordable housing projects in the City of Philadelphia (the "City").

WHEREAS, Borrower has requested that the Authority increase the principal amount of
the Authority Loan by an additional One Million Dollars ($1,000,000), such that the total amount
of the Authority Loan shall be in an amount not to exceed Nine Million Dollars ($9,000,000).

WHEREAS, because the Authority Loan documents have not yet been finalized and
executed, the Board is requested to authorize an amendment to Resolution No. 2020-25, adopted
on May 13, 2020, providing that the principal amount of the Authority Loan shall be increased to
an amount not to exceed Nine Million Dollars ($9,000,000).

WHEREAS, the Authority has carefully considered this request and the factors giving rise thereto.

NOW THEREFORE, BE IT RESOLVED by the Philadelphia Redevelopment
Authority that authorization is hereby given to amend the term of the Authority Loan as follows:

1. Increase the principal amount of the Authority Loan by an additional One
Million Dollars ($1,000,000), such that the total amount of the Authority Loan shall be in an
amount not to exceed Nine Million Dollars ($9,000,000).

All other terms of the Authority Loan as previously approved by Resolution No. 2020-25,
adopted May 13, 2020, shall remain unchanged.
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, Ms. Buckley, Mr. Bumb and Mr. Dubow.

One Abstention: Ms. Fadullon.

At this time, Ms. Fadullon resumed her position as Chair.

OLD BUSINESS

Ms. Fadullon inquired if there was any old business for the Board. No old business was presented to the Board.

NEW BUSINESS

Ms. Fadullon inquired if there was any new business for the Board. No new business was presented to the Board.
**ADJOURNMENT**

There being no further business to come before the Board, Ms. Fadullon declared the meeting adjourned at 4:28 P.M.

___________________________
SECRETARY TO THE BOARD
[PUBLIC ATTENDANCE LIST AND TRANSCRIPT OF QUESTIONS AND RESPONSES THERETO, IF ANY, ARE ATTACHED ON FOLLOWING PAGE]
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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 5th 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. 8th Street
2500 N. 31st Street
2401 N. 32nd Street
2549 ½ N. 32nd Street a/k/a 2551 N. 32nd Street
2401 N. 33rd Street
**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”

3rd 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

5th Councilmanic District Properties

2338 N 31st Street
2340 N 31st Street
2408 N 31st Street
2410 N 31st Street
2412 N 31st 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
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
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
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 46th Street, 127-129 South 46th Street and 133-135 South 46th 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 46th 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
NAME OF BORROWER/APPLICANT: Philadelphia Accelerator Fund, a Pennsylvania domestic nonprofit corporation ("Borrower")

BACKGROUND: The need for Borrower came out of the City of Philadelphia's ("City") Housing Action Plan, which recommends:

"Establish a Housing Accelerator Fund to preserve affordable housing: Create a new fund to finance the acquisition and rehabilitation of affordable housing and to provide working capital for Low-Income Housing Tax Credit (LIHTC) projects. Local housing dollars will provide a one-time capital infusion, leveraging it to attract social impact capital and program-related investment dollars with the goal of achieving a leverage ratio of 10 to 1. Developers will benefit from longer terms and higher loan-to-value ratios than the market provides."

Borrower was incorporated as a Pennsylvania nonprofit corporation in October, 2019, with the mission to support the production and preservation of affordable housing and community development projects in the City to benefit low-income people and/or low-income communities.

Borrower has a thirteen (13) member board that includes five (5) public-sector positions and eight (8) private-sector members. PHDC staff is managing the affairs of Borrower under a Memorandum of Understanding ("MOU") until it is ready to apply to U.S. Department of Treasury, CDFI Fund, to become a Community Development Financial Institution ("CDFI"). A majority of Borrower's board members are non-government employees in-part to ensure eligibility for CDFI certification.

TRANSACTION:

Nature of Transaction: By Resolution No. 2020-25, adopted May 13, 2020, the Board authorized the Authority to provide a loan in an amount not to exceed Eight Million Dollars ($8,000,000) (the "Authority Loan") to Borrower for the purpose of leveraging private capital that will be used to invest in producing and/or preserving affordable housing projects in the City. Specifically, the proceeds of the Authority Loan will be used by Borrower for the purposes of establishing a loan-loss reserve, providing guarantees, and/or to satisfy liquidity covenants.
Today, the Board is being asked to increase the principal amount of the Authority Loan by an additional One Million Dollars ($1,000,000) such that the total amount of the Authority Loan shall be in an amount not to exceed Nine Million Dollars ($9,000,000).

Because the Authority Loan documents have not yet been finalized and executed, the Board is requested to authorize an amendment to Resolution No. 2020-25, adopted on May 13, 2020, providing that the principal amount of the Authority Loan shall be increased to an amount not to exceed Nine Million Dollars ($9,000,000). All other terms of Resolution No. 2020-25, adopted on May 13, 2020, not specifically amended herein shall continue in full force and effect.

Proposed Resolution is attached.

Prepared by: Ryan Harmon
Reviewed by: Gregory Heller
NAME OF DEVELOPER/APPLICANT: Habitat for Humanity Philadelphia, Inc.

Nature of Transaction: Selection of Habitat for Humanity Philadelphia, Inc. ("Redeveloper") as redeveloper proposing to develop twenty (20) units for homeownership to be sold for affordable housing with ten (10) units set aside for 30 - 60% Area Median Income ("AMI") and ten (10) units set aside for 61 - 80% AMI. Five (5) units will be constructed as single family 2-story buildings, five (5) units will be constructed as single family 3-story buildings and ten (10) units will be constructed as condominium units in five (5) 3-story duplex buildings.

Legal Entity/Other Partners (if applicable): Habitat for Humanity

Mailing Address: 1829 N. 19th Street, Philadelphia, PA 19121

PROPERTY INFORMATION: 1535 N. 33rd Street, 1601-07 N. 33rd Street, 3201-07 W. Oxford Street, 3216 W. Oxford Street, 3225-3231 W. Oxford Street (collectively, the "Property")

Description: Approximately 21,000 sq. ft., vacant lots

Zoning: RM-1 and RSA-5

Use: Affordable Housing

Disposition Price: Fifteen Dollars ($15.00)

This transaction is a noncompetitive bid.

FINANCING:
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 violation of City L&I codes. Per Chapter 17-1600 of the Philadelphia Code an Economic Opportunity Plan ranges have been set at MBE -0%, WBE-0% as Redeveloper proposes to use sweat equity.

This approval is contingent on the Philadelphia City Planning Commission's ("PCPC") approval for conformity of the project in accordance with the North Philadelphia Redevelopment Area Plan. The Planning Commission’s meeting is scheduled for August 18, 2020. In the event there are any required
material modifications to the plans following PCPC's review, such required material modifications will be presented to the Board for consideration if necessary.

Prepared by: Roneece S. Dent, Senior Development Specialist
Reviewed by: Angel Rodriguez
NAME OF GRANTOR: The City of Philadelphia, acting through its Department of Public Property and its Finance Department (the "City")

Background: Pursuant to Resolution No. 2019-61, adopted on August 14, 2019, the Board authorized a Grant Agreement with the City, as grantor, wherein the City agreed to provide funding to the Philadelphia Redevelopment Authority ("Authority"), as grantee, in the amount of Ten Million Dollars ($10,000,000) ("Grant Funds") for use in capital construction and improvement projects in and around the City (each, a "Project," and collectively, the "Projects"). The Grant Agreement was executed by the Authority and the City on October 23, 2019. The term of the Grant Agreement was for one (1) year.

The City appropriated the Grant Funds to be granted to the Authority. The City has granted the Grant Funds in accordance with individual Project requirements, and the Authority has managed, overseen and carried out the Projects.

Nature of Request/Transaction: Authorization is now sought to extend the term of the Grant Agreement for one (1) year, effective October 23, 2020.

The City will continue to provide a scope of work for each phase of a Project by sending the Authority a work order form, which the Authority will review and approve. The Authority will continue to receive an administrative fee in the amount of eight percent (8%) of the total costs and expenses which are actually incurred by the Authority relative to each Project.

The City may terminate the Grant Agreement with thirty (30) days' advance written notice.

Proposed Resolution is attached.

Prepared by: Ryan Harmon
RESOLUTION NO.

RESOLUTION AUTHORIZING APPROVAL OF A FIRST AMENDMENT TO GRANT AGREEMENT WITH THE CITY OF PHILADELPHIA, ACTING THROUGH ITS DEPARTMENT OF PUBLIC PROPERTY AND ITS FINANCE DEPARTMENT, AS GRANTOR, AND THE PHILADELPHIA REDEVELOPMENT AUTHORITY, AS GRANTEE, EXTENDING THE TERM OF THE GRANT AGREEMENT, TO FINANCE CAPITAL CONSTRUCTION AND IMPROVEMENT PROJECTS IN AND AROUND THE CITY

WHEREAS, pursuant to Resolution No. 2019-61, adopted on August 14, 2019, the Board authorized a Grant Agreement with the City of Philadelphia, acting through its Department of Public Property and its Finance Department (the "City"), as grantor, wherein the City agreed to provide funding to the Philadelphia Redevelopment Authority ("Authority"), as grantee, in the amount of Ten Million Dollars ($10,000,000) ("Grant Funds") for use in capital construction and improvement projects in and around the City (each, a "Project," and collectively, the "Projects");

WHEREAS, the Grant Agreement was executed by the Authority and the City on October 23, 2019, and was for a term of one (1) year;

WHEREAS, the City and the Authority now seek authorization to extend the term of the Grant Agreement for one (1) year, effective October 23, 2020.

NOW THEREFORE, BE IT RESOLVED, by the Philadelphia Redevelopment Authority, that authorization is hereby given to enter into a First Amendment to Grant Agreement with the City of Philadelphia, acting through its Department of Public Property and its Finance Department (the "City"), as grantor, to extend the term of the Grant Agreement for one (1) year, effective October 23, 2020.

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.
NAME OF GRANTOR: The City of Philadelphia, acting through its Department of Parks & Recreation and its Finance Department (the "City")

Additional Grant Amount: $5,000,000

Background: Pursuant to Resolution No. 2018-59, adopted on August 8, 2018, the Board authorized a Grant Agreement with the City, as grantor, wherein the City agreed to provide funding to the Philadelphia Redevelopment Authority ("Authority"), as grantee, in the amount of Seven Million Dollars ($7,000,000) ("Grant Funds") for use in capital construction and improvement projects in and around the City (each, a "Project," and collectively, the "Projects"). The Grant Agreement was executed by the Authority and the City on September 21, 2018. The term of the Grant Agreement was for one (1) year.

Pursuant to Resolution No. 2019-83, adopted on December 11, 2019, the Board authorized a First Amendment to Grant Agreement ("First Amendment") with the City, as grantor, wherein (i) the term of the Grant Agreement was extended for one (1) year, effective September 21, 2019, and (ii) the Grant Funds were increased by an additional Five Million Dollars ($5,000,000) such that the total Grant Funds available under the Grant Agreement, as amended, is Twelve Million Dollars ($12,000,000). The First Amendment was executed by the Authority and the City on December 20, 2019.

Nature of Request/Transaction: Authorization is now sought to extend the term of the Grant Agreement, as previously amended by the First Amendment, for an additional one (1) year, effective September 21, 2020.

The City will continue to provide a scope of work for each phase of a Project by sending the Authority a work order form, which the Authority will review and approve. The Authority will continue to receive an administrative fee in the amount of seven percent (7%) of the total costs and expenses which are actually incurred by the Authority relative to each Project.

The City may terminate the Grant Agreement with thirty (30) days' advance written notice.

Proposed Resolution is attached.

Prepared by: Ryan Harmon
RESOLUTION NO.

RESOLUTION AUTHORIZING APPROVAL OF A SECOND AMENDMENT TO GRANT AGREEMENT WITH THE CITY OF PHILADELPHIA, ACTING THROUGH ITS DEPARTMENT OF PARKS & RECREATION AND ITS FINANCE DEPARTMENT, AS GRANTOR, AND THE PHILADELPHIA REDEVELOPMENT AUTHORITY, AS GRANTEE, EXTENDING THE TERM OF THE GRANT AGREEMENT, AS PREVIOUSLY AMENDED, TO FINANCE CAPITAL CONSTRUCTION AND IMPROVEMENT PROJECTS IN AND AROUND THE CITY

WHEREAS, pursuant to Resolution No. 2018-59, adopted on August 8, 2018, the Board authorized a Grant Agreement with the City of Philadelphia ("City"), as grantor, wherein the City agreed to provide funding to the Philadelphia Redevelopment Authority ("Authority"), as grantee, in the amount of Seven Million Dollars ($7,000,000) ("Grant Funds") for use in capital construction and improvement projects in and around the City (each, a "Project," and collectively, the "Projects");

WHEREAS, the Grant Agreement was executed by the Authority and the City on September 21, 2018, and was for a term of one (1) year;

WHEREAS, pursuant to Resolution No. 2019-83, adopted on December 11, 2019, the Board authorized a First Amendment to Grant Agreement ("First Amendment") with the City, as grantor, wherein (i) the term of the Grant Agreement was extended for one (1) year, effective September 21, 2019, and (ii) the Grant Funds were increased by an additional Five Million Dollars ($5,000,000) such that the total Grant Funds available under the Grant Agreement, as amended, is Twelve Million Dollars ($12,000,000);

WHEREAS, the First Amendment was executed by the Authority and the City on December 20, 2019.

WHEREAS, the City and the Authority now seek authorization to extend the term of the Grant Agreement, as previously amended, for an additional one (1) year, effective September 21, 2020.

NOW THEREFORE, BE IT RESOLVED, by the Philadelphia Redevelopment Authority, that authorization is hereby given to enter into a Second Amendment to Grant Agreement with the City of Philadelphia, acting through its Department of Parks & Recreation and its Finance Department (the "City"), as grantor, to extend the term of the Grant Agreement, as previously amended, for an additional one (1) year, effective September 21, 2020.

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.
NAME OF APPLICANT/REQUESTOR: THE CITY OF PHILADELPHIA (the "City"), ACTING THROUGH ITS WATER DEPARTMENT (the "Water Department")

Nature of Transaction: Approval of a Cooperation Agreement (herein, the "Cooperation Agreement") between the Philadelphia Redevelopment Authority (the "Authority") and the City, acting through the Water Department.

Background: The City appropriates certain capital funding (the "City Funding") to be granted to the Authority through various grant and subgrant agreements for use in construction and improvement projects in and around the City on properties owned by the City (each, a "City Project," and collectively, the "City Projects"), including those projects arising out of the City's "Rebuilding Community Infrastructure" or "Rebuild" Program. The Authority acts as agent for the City in carrying out the City Projects and the City grants the City Funding to Authority in accordance with individual project requirements. The Authority manages and oversees the City Projects and uses the City Funding to pay for the City Projects.

The Authority also manages and/or oversees certain construction and improvement projects in and around the City on properties owned by the Authority (each, an "Authority Project," and collectively, the "Authority Projects"). The Authority typically uses its own capital funding or funding from other sources to pay for the Authority Projects. The City Projects and the Authority Projects shall be referred to herein, collectively, as the "Construction Projects."

The City, acting through the Water Department, has requested that the Authority include Water Department-identified green stormwater infrastructure projects ("Stormwater Infrastructure") in certain Construction Projects such that the Authority will provide owner's representative services to incorporate the Stormwater Infrastructure into those Construction Projects from the design phase to construction completion in an efficient manner.

The City, acting through the Water Department, desires to cooperate with the Authority in accordance with Section 8-402 of the Philadelphia Home Rule Charter and Section 1746.1 of the Redevelopment Cooperation Law, 35 P.S. §§ 1741 et seq. The City, acting through the Water Department, has agreed to pay for all costs and expenses incurred in connection with the Services (defined below).
COOPERATION AGREEMENT SERVICES:

The Authority will perform the following services (collectively, the "Services") as agent for the Water Department under the Cooperation Agreement:

a. Pre-Construction. The Authority will:

   i. Determine, with the assistance of the Water Department, appropriate Construction Projects that are able and appropriate to incorporate Stormwater Infrastructure;

   ii. Review and evaluate project scope and work with the City and the Water Department, as applicable, to assemble and prepare project drawings, plans and specifications to be provided and included with the bid opportunity;

   iii. Communicate with the Water Department's project/construction manager during design process;

   iv. Discuss and determine roles of all applicable agencies;

   v. Request economic opportunity goals from the Mayor's Office of Economic Opportunity or partner City agency and require compliance from selected contractor;

   vi. Establish correct prevailing wage rates and notify Office of Labor Standards;

   vii. Develop a bid package that separates Water Department-funded items from other project items;

   viii. Ensure bid package availability and schedule bid process with all applicable parties;

   ix. Publicly advertise bid opportunity;

   x. Conduct pre-bid meeting and record and communicate with pre-bid meeting attendees;

   xi. Request questions and clarifications from potential bidders and provide responses from the Water Department within the specified time frame;

   xii. Receive, coordinate, and include the Water Department in all bid evaluation and selection for Construction Projects in which Stormwater Infrastructure is proposed to be incorporated;

   xiii. With cooperation from the Water Department, select most qualified bidder;
xiv. Post identity of all bidders for Construction Projects in which Stormwater Infrastructure is proposed to be incorporated and identify the selected bidder;

xv. Prepare and enter into a construction contract with the selected bidder (as owner if an Authority Project or as agent for the City if a City Project) and issue any required Water Department addendums to construction contracts;

xvi. Request 100% performance and payment bonds and name the City as endorsed additional insured; and

xvii. Issue a notice to proceed.

b. Project Construction. The Authority will:

i. Coordinate pre-construction meeting with the Water Department on-site along with contractor, consultants, and project partners;

ii. Coordinate construction schedule with the Water Department and host kick-off meeting with the Water Department's Construction Unit;

iii. Coordinate contractor submittals and obtain design approvals from the Water Department relative to the Stormwater Infrastructure;

iv. Coordinate with contractor to obtain all applicable permits;

v. With oversight from, and involvement with, the Water Department, coordinate and monitor construction activities and all contractors;

vi. Conduct periodic construction site observations and maintain project progress oversight with the Water Department;

vii. Communicate with the City and the Water Department as needed regarding the Construction Project;

viii. Coordinate with all stakeholders as needed;

ix. Schedule and conduct construction meetings and submit meeting notes to the Water Department and coordinate action as necessary;

x. Coordinate a system for the review and process of change orders with the Water Department and contractor;

xi. Coordinate requests for payment as prepared by the contractor and request approval and payment from the Water Department;

xii. Process Water Department-approved payments in a timely manner;
xiii. Coordinate punch list walk-through with contractors and the Water Department and conduct project closeout;

xiv. Ensure that the contractor provides to the Water Department all required post-construction documentation and project records upon project completion; and

xv. Perform such other services which may become necessary or are requested upon the mutual agreement of the City, the Water Department and the Authority.

COMMENTS OR OTHER CONDITIONS:

The Water Department shall pay an administrative fee to the Authority for its Services in an amount equal to seven percent (7.00%) of the Costs incurred by the Authority pursuant to the Cooperation Agreement ("Administrative Fee"). "Costs" shall include all direct costs and all other expenditures which are actually incurred.

The Cooperation Agreement has a term of one (1) year which may be extended for three (3) additional one (1) year periods.

In no event shall the amount certified by the City's Finance Department for the payment of Costs and the Administrative Fee during the term (or any renewal term) of the Cooperation Agreement exceed the maximum amount of Six Hundred Thousand Dollars ($600,000).

Proposed Resolution attached.

Prepared By: Ryan Harmon
RESOLUTION NO.

RESOLUTION AUTHORIZING A COOPERATION AGREEMENT BETWEEN THE REDEVELOPMENT AUTHORITY AND THE CITY OF PHILADELPHIA, ACTING THROUGH ITS WATER DEPARTMENT

WHEREAS, the City of Philadelphia (the "City"), acting through its Water Department (the "Water Department"), has requested that the Philadelphia Redevelopment Authority (the "Authority") enter into a Cooperation Agreement ("Cooperation Agreement") to include Water Department-identified green stormwater infrastructure projects ("Stormwater Infrastructure") in certain City and/or Authority construction projects such that the Authority will provide owner's representative services to incorporate the Stormwater Infrastructure into those construction projects from the design phase to construction completion in an efficient manner;

WHEREAS, the City, acting through the Water Department, desires to cooperate with the Authority in accordance with Section 8-402 of the Philadelphia Home Rule Charter and Section 1746.1 of the Redevelopment Cooperation Law, 35 P.S. §§ 1741 et seq., such that the Authority will provide the services set forth in the attached Fact Sheet as agent for the City, acting through the Water Department;

WHEREAS, the Water Department and the Authority have negotiated the Cooperation Agreement which states all terms, conditions, obligations and responsibilities of the parties.

WHEREAS, the Water Department shall pay an administrative fee to the Authority for its services in an amount equal to seven percent (7.00%) of the costs incurred by the Authority pursuant to the Cooperation Agreement ("Administrative Fee");

WHEREAS, the Cooperation Agreement has a term of one (1) year which may be extended for three (3) additional one (1) year periods;

WHEREAS, in no event shall the amount certified by the City's Finance Department for the payment of Costs and the Administrative Fee during the term (or any renewal term) of the Cooperation Agreement exceed the maximum amount of Six Hundred Thousand Dollars ($600,000);

NOW THEREFORE, BE IT RESOLVED by the Philadelphia Redevelopment Authority, that the Redevelopment Authority is authorized to execute a Cooperation Agreement with the City, acting through the Water Department, on the terms and conditions set forth herein and in the attached Fact Sheet.

FURTHER RESOLVING, that the Executive Director is authorized to execute all further instruments, documents and agreements necessary to effectuate the purposes of this Resolution, which instruments, documents and agreements shall contain such terms and conditions as the Executive Director and General Counsel shall deem necessary or appropriate to protect the interests of the Authority.
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.
NAME OF SPONSOR/DEVELOPER: Philadelphia Housing Authority ("PHA")

NATURE OF TRANSACTION: Authorization for the Philadelphia Redevelopment Authority ("PRA") to enter into a Grant Agreement with PHA wherein PRA shall provide a grant to PHA in an amount not to exceed Seven Hundred Fifty Thousand Dollars ($750,000) (the "Grant Funds").

The Grant Proceeds shall be used by PHA for the purposes outlined in the Choice Neighborhoods Implementation Grant Agreement (Grant Number PA3A518CNG113) dated December 17, 2014, as amended by that certain Addendum to the Choice Neighborhoods Implementation Grant Agreement (Endowment Trust) dated September 17, 2020 (collectively, the Choice Grant Agreement"), to be utilized solely for planning, providing and evaluation of community and support services for the primary benefit of the public and/or assisted housing residents of the North Central Neighborhood (as defined in the Choice Grant Agreement) and former residents of the Norris Apartments housing development occupying other public and/or assisted housing in accordance with the Transformation Plan (as defined in the Choice Grant Agreement).

COMMENTS OR OTHER CONDITIONS:

The source of the Grant Funds is PRA working capital.

Proposed Resolution is attached.

Prepared by: Ryan Harmon
RESOLUTION AUTHORIZING THE APPROVAL OF A GRANT IN AN AMOUNT NOT TO EXCEED $750,000 TO THE PHILADELPHIA HOUSING AUTHORITY FOR THE PURPOSES OUTLINED IN THE CHOICE NEIGHBORHOODS IMPLEMENTATION GRANT AGREEMENT

BE IT RESOLVED, by the Philadelphia Redevelopment Authority ("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 Seven Hundred Fifty Thousand Dollars ($750,000) to PHA to be used by PHA for the purposes outlined in the Choice Neighborhoods Implementation Grant Agreement (Grant Number PA3A518CNG113) dated December 17, 2014, as amended by that certain Addendum to the Choice Neighborhoods Implementation Grant Agreement (Endowment Trust) dated September 17, 2020 (collectively, the Choice Grant Agreement"), to be utilized solely for planning, providing and evaluation of community and support services for the primary benefit of the public and/or assisted housing residents of the North Central Neighborhood (as defined in the Choice Grant Agreement) and former residents of the Norris Apartments housing development occupying other public and/or assisted housing in accordance with the Transformation Plan (as defined in the Choice Grant Agreement).

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.
BOARD FACTSHEET
Meeting of December 9, 2020
Carl Mackley Apartments Preservation Development
Sale, Assumption, Modification, Subordination of Existing Loans and New Financing for the Carl Mackley Apartments

TRANSACTION SUMMARY

Authorization for the Philadelphia Redevelopment Authority ("Authority") to consent to the sale of the Carly Mackley Apartments and permit the transfer, assumption, modification, subordination of existing Authority loans and provide additional financing to permit the acquisition and preservation of affordable housing units.

BACKGROUND INFORMATION

In 1997 and 1998, the Authority provided two (2) loans to CMH Development, L.P. ("Seller"), secured by two (2) mortgages as evidenced by the following two (2) notes: 1) loan in the amount of $1,800,000 ("CMH Note"); 2) loan in the amount of $1,650,000 ("CMH Note 2"). The CMH Note 1 and the CMH Note 2 are collectively referred to as the "CMH Notes." The proceeds of the CMH Notes provided financing to assist in the acquisition and substantial rehabilitation of 184 units of permanent rental housing for low-income residents located at 1401 E. Bristol Street (the "Property"). The CMH Note accrues interest at 6.86% and is due and payable on the thirtieth (30th) anniversary of the loan closing and the CMH Note 2 accrues interest at 1% and is due and payable on the fortieth (40th) anniversary of the loan closing (collectively, the "Project").

The fifteen (15) year low-income housing tax credit compliance period has ended, and the Seller has requested the Authority's consent to sell the Project to Carl Mackley Houses Limited Partnership ("Buyer") an entity formed to purchase and rehabilitate the Project.

Upon the sale of the Property, the principal amount of the CMH Notes in the amount of $3,450,000 will be paid to the Authority and the interest on the CMH Notes in the amount of $3,290,039 will be assumed by the Buyer ("Assumed Debt").

The Buyer has developed a preservation plan to rehabilitate the Project ("Preservation Project"). To finance the Preservation Project, the Buyer applied and received from the Pennsylvania Housing Finance Agency ("PHFA") four (4%) percent low income housing tax credit/tax exempt bonds, PHFA Pennsylvania Housing and Rehabilitation Enhancement Funds ("PHARE") and secured financing from Merchants Capital comprised of a Federal Housing Administration ("FHA") 221 (d)(4) mortgage ("Permanent FHA Loan"). In addition, the Buyer
received a financing commitment from the Division of Housing and Community Development in the amount of $2,000,000 ("New Financing"). The Authority will provide acquisition financing in the amount of $800,000 ("Acquisition Loan") and $300,000 of gap financing ("Gap Loan"). The Gap Loan will only be made available provided Winn Companies ("Winn") is unsuccessful in obtaining additional funding following applications to the Federal Home Loan Bank of Pittsburgh under the Affordable Housing Program and to the Commonwealth of Pennsylvania under the Redevelopment Assistance Program.

The Preservation Project consists of the forty-five (45) one-bedroom units, eighty-eight (88) two-bedroom units, seventeen (17) three bedrooms, and thirty-four (34) four-bedroom units. There are nineteen (19) visitable units, nineteen (19) accessible units, and eight (8) sensory units. The Preservation Project has a Housing Assistance Payments Contract through the U.S. Department of Housing and Urban Development that provides tenant-based rental assistance payments for ninety-two (92) units.

The Buyer will make the following capital improvements to the Property: site work, bathroom and kitchen repairs, new energy star appliances, replacement of windows, new dry walls, new interior two-panel doors, painting, common area repairs (doors, roof replacement, windows, painting) exterior work, replacement of mechanical units (hot water heater, HVAC system), plumbing, and electrical work.

**PROPOSED FINANCING**

The **Authority** is providing financing in the amount not to exceed $6,090,039 ("Authority Loan"). The Authority Loan consists of New Financing, Assumed Debt and an Acquisition Loan. The Authority Loan will be secured by a mortgage as evidenced by the following two notes: 1) a loan in the amount of $5,290,039 ("Rehabilitation Note"), and 2) a loan in the amount of $800,000 ("Acquisition Note"). In addition, the Authority will provide Gap Financing if needed in the amount of $300,000.

1 - The Rehabilitation Note will be structured with a term of 42 years at 0% interest. During the Rehabilitation Note term period, no principal or interest will be required to be paid. The entire balance will be due and payable in 42 years.

2 - The Acquisition Note shall bear no interest and payments shall be due annually from 25% of available surplus cash. Any unpaid balance shall be due and payable in forty-two (42) years.

The **Authority Loan** will be secured by a third lien position on the Property behind the construction loan financing provided by FHA ("Construction FHA Loan") and PHFA PHARE funding. Upon payment of the Construction FHA Loan, the Authority Loan will remain in a third lien position on the Property behind the Permanent FHA Loan and the PHFA PHARE Funds.
The Gap Loan will bear no interest and payments on the Gap Financing Loan shall be due annually from 25% of available surplus cash. Any unpaid balance shall be due and payable in forty-two (42) years. The Gap Loan will be in a fourth lien position on the Property.

**BOARD ACTION**

- Permit the transfer of the Property to the Buyer
- Permit assumption by the Borrower of Assumed Debt
- Permit the Authority to enter a non-recourse construction/permanent loan in the amount of $6,090,039 ("Authority Loan") consisting of two Authority notes.
- Permit the Authority to provide a commitment for Gap financing in the amount of $300,000.

**COMMENTS OR OTHER CONDITIONS:**

The City of Philadelphia ("City") has approved the Economic Opportunity Plan for the Carl Mackley Preservation Development. The Development Team has no outstanding tax issues. The Authority Housing Construction Department has approved the plans, specification, and construction costs. The Philadelphia Planning Commission has stated they do not need to review this Project due to the funding source.

Proposed Resolution is attached

Prepared by: Zena Holland, Senior Housing Development Officer
Reviewed by: Darci Bauer, Director Housing Finance
RESOLUTION AUTHORIZING THE AUTHORITY'S CONSENT TO THE SALE OF 1401 E. BRISTOL STREET AND PERMIT THE ASSUMPTION, MODIFICATION, AND SUBORDINATION OF EXISTING DEBT HELD BY THE AUTHORITY AND PROVIDE ADDITIONAL FINANCING TO CARL MACKLEY HOUSES LIMITED PARTNERSHIP.

WHEREAS, in 1997 and 1998, the Philadelphia Redevelopment Authority ("Authority") provided financing to CMH Development, L.P. ("Seller") in the amount One Million Eight Hundred Thousand Dollars ($1,800,000) ("CMH Note") and One Million Six Hundred Fifty Thousand Dollars ($1,650,000) ("CMH Note 2"). The CMH Note and CMH Note 2 are collectively referred to as the "CMH Notes". The CMH Notes provided financing to assist in the acquisition and substantial rehabilitation of 184 units of permanent rental housing for low income residents ("Project") located at 1401 E. Bristol Street ("Property"); and

WHEREAS, the CMH Note accrues interest at the rate of six and eighty-six hundredths (6.86%) percent due and payable on the thirtieth (30th) anniversary of the loan closing; and

WHEREAS, the CMH Note 2 accrues interest at the rate of one (1%) percent due and payable on the 40th anniversary of the loan closing; and

WHEREAS, the fifteen (15) year low income housing tax credit compliance period has ended, and the Seller has requested the Authority's consent to sell the Project to Carl Mackley Houses Limited Partnership ("Buyer"), an entity formed to purchase and rehabilitate the Project; and

WHEREAS, upon the sale of the Property, the principal amount of the CMH Notes in the amount of Three Million Four Hundred Fifty Thousand Dollars ($3,450,000) will be paid to the Authority and the interest on the CMH Notes in the amount of Three Million Two Hundred Ninety Thousand Thirty-nine Dollars ($3,290,039) will be assumed by the Buyer ("Assumed Debt"); and

WHEREAS, the Buyer has developed a preservation plan to rehabilitate the Project ("Preservation Project") and, to finance the Preservation Project, applied and received from the Pennsylvania Housing Finance Agency ("PHFA") four (4%) percent low income housing tax credit/tax exempt bonds, PHFA Pennsylvania Housing and Rehabilitation Enhancement Funds ("PHARE") and secured financing from Merchants Capital comprised of a Federal Housing Administration ("FHA") 221 (d) (4) mortgage ("Permanent FHA Loan"). The Borrower also secured construction financing from Merchants Capital ("Construction FHA Loan") and TD Bank, NA to bridge the Permanent FHA Loan and the equity proceeds during construction; and

WHEREAS, the Authority will provide financing in an amount not to exceed Six Million Ninety Thousand Thirty-nine Dollars ($6,090,039) ("Authority Loan") that consists of Two Million Dollars ($2,000,000) of additional financing ("New Financing"), Eight-Hundred
Thousand Dollars ($800,000) in acquisition financing ("Acquisition Loan") and Assumed Debt; and

WHEREAS, the Authority Loan will be secured by a mortgage and evidenced by the following two notes: 1) loan in the amount of Five Million Two Hundred Ninety Thousand Thirty-nine Dollars ($5,290,039) ("Rehabilitation Note"), and 2) loan in the amount of Eight Hundred Thousand Dollars ($800,000) ("Acquisition Note"); and

WHEREAS, the Authority will make a commitment to provide gap financing ("Gap Loan") if the Preservation Project is unsuccessful in securing additional funds; and

WHEREAS, the Borrower will make capital improvements to the Preservation Project and maintain the units as low-income housing for an additional forty-two (42) years; and

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

- Permit the transfer of the Property to the Buyer;
- Permit assumption by the Borrower of Assumed Debt;
- Permit the Authority to enter a non-recourse construction/permanent loan in the amount of $6,090,039 ("Authority Loan") consisting of two Authority notes:
  1. The Rehabilitation Note will be structured with a term of 42 years at 0% interest. During the Rehabilitation Note term period, no principal or interest will be required to be paid. The entire balance will be due and payable in 42 years.
  2. The Acquisition Note shall bear no interest and payments on the Acquisition Note shall be due annually from 25% of available surplus cash and any unpaid balance shall be due and payable in forty-two (42) years.
- The Authority Loan will be secured by a third lien position on the Property behind the Construction FHA Loan and PHFA PHARE Funds. Upon payment of the Construction FHA Loan, the Authority Loan will remain in a third lien position on the Property behind the Permanent FHA Loan and PHFA PHARE Funds.
- Permit the Authority to provide a Gap Loan in the amount of Three Hundred Thousand Dollars ($300,000). The Gap Loan will only be made available provided the Borrower is unsuccessful in obtaining additional funding following applications to the Federal Home Loan Bank of Pittsburgh under the Affordable Housing Program and to the Commonwealth of Pennsylvania under the Redevelopment Assistance Program.
• The Gap Loan will bear no interest and payments will be due annually from 25% of available surplus cash and any unpaid balance will be due and payable in 42 years. The Gap Loan will be in a fourth lien position on the Property.

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.
**Philadelphia Redevelopment Authority**

**Project Fact Sheet**

**PROJECT NAME**  
Carl Mackley Apartments Preservation Development

**ADDRESS**  
1401 E. Bristol Street

**OWNER**  
Carl Mackley Houses Limited Partnership

**GENERAL PARTNER**  
Carl Mackley Houses GP LLC

**DEVELOPER**  
Winn Companies

**GENERAL CONTRACTOR**  
Domus, Inc.

**TOTAL DEVELOPMENT COST**  
$40,777,835

**TOTAL CONSTRUCTION COST**  
$22,428,747

**PRA FINANCING**  
$2,000,000 – HTF New Funding  
$800,000 – Acquisition Loan  
$300,00 – Gap Loan  
$3,290,039 – Assumed Debt

**SCOPE OF CONSTRUCTION**  
Preservation/Rehabilitation

**BACKGROUND INFORMATION/PROJECT DESCRIPTION**

In 1997 and 1998, the Philadelphia Redevelopment Authority (“Authority”) provided two loans to CMH Development, L.P. (“Seller”), secured by two mortgages as evidenced by the following two notes: 1) loan in the amount of $1,800,000 (“CMH Note”); 2) loan in the amount of $1,650,000 (“CMH Note 2”). The CMH Note and the CMH Note 2 are collectively referred to as the “CMH Notes”. The proceeds of the CMH Notes provided financing to assist in the acquisition and substantial rehabilitation of 184 units of permanent rental housing for low-income residents located at 1401 E. Bristol Street (“Property”). The CMH Note accrues interest at 6.86% and is due and payable on the thirtieth (30th) anniversary of loan closing. The CMH Note 2 accrues interest at 1% and is due and payable on the fortieth (40th) anniversary of loan closing (“Project”).

The fifteen (15) year low-income housing tax credit compliance period has ended, and Seller has requested the Authority’s consent to sell the Project to Carl Mackley Houses Limited Partnership (“Buyer”) an entity formed to purchase and rehabilitate the Project.
Upon the sale of the Property, the principal amount of the CMH Notes in the amount of $3,450,000 will be paid to the Authority and the interest on the CMH Notes in the amount of $3,290,039 will be assumed by the Buyer (“Assumed Debt”).

The Buyer has developed a preservation plan to rehabilitate the Project (“Preservation Project”) and to finance the Preservation Project, the Buyer applied and received from the Pennsylvania Housing Finance Agency (“PHFA”) four (4%) percent low income housing tax credit/tax exempt bonds, PHFA Pennsylvania Housing and Rehabilitation Enhancement Funds (“PHARE”) and secured financing from Merchants Capital comprised of a Federal Housing Administration (“FHA”) 221 (d)(4) mortgage (“Permanent FHA Loan”). In addition, the Buyer received a financing commitment from the Division of Housing and Community Development in the amount of $2,000,000 (“New Financing”). The Authority will provide an acquisition loan in the amount of $800,000 (“Acquisition Loan”). Because of a gap in the Preservation Project budget, the Authority will provide a commitment in the amount of $300,000 of gap financing (“Gap Loan”). The Gap Loan will only be made available provided Winn Companies (“Winn”) is unsuccessful in obtaining additional funding following applications to the Federal Home Loan Bank of Pittsburgh under the Affordable Housing Program and to the Commonwealth of Pennsylvania under the Redevelopment Assistance Program.

The Preservation Project consists of the forty-five (45) one-bedroom units, eighty-eight (88) two-bedroom units, seventeen (17) three bedrooms, and thirty-four (34) four-bedroom units. There is also a one-bedroom employee unit. There are 19 visitable units, 19 accessible units, and 8 sensory units. The Project has a Housing Assistance Payments Contract through the U.S. Department of Housing and Urban Development that provides tenant-based rental assistance payments for ninety-two (92) units.

The Buyer will make the following capital improvements to the Property: site work, bathroom and kitchen repairs, new energy star appliances, replacement of windows, new dry walls, new interior two-panel doors, painting, common area repairs (doors, roof replacement, windows, painting) exterior work, replacement of mechanical units (hot water heater, HVAC system), plumbing, and electrical work.

**DEVELOPER/BORROWER DESCRIPTION**

**Carl Mackley Houses Limited Partnership** a Pennsylvania Limited Partnership was formed for the sole purpose of developing the Preservation Project. Carl Mackley Houses GP LLC will serve as the general partner. Winn will serve as the developer/sponsor and will organize and advance the Preservation Project through the development process, structure the Preservation Project financing and syndication of equity proceeds. Winn will also serve as property manager and service provider.

**Winn** as developed properties in Philadelphia, New York, New Jersey, Connecticut, Massachusetts, Washington DC, and Rhode Island. Below are the Philadelphia projects:

- Venango House- 2104 W. Venango Street -Total Project Cost $14,500,000 – 106 Units – Owned and Managed – Completed
PROJECT FINANCING

The Authority is providing non-recourse financing in an amount not to exceed $6,090,039 ("Authority Loan"). The Authority Loan consists of New Financing, Assumed Debt and an Acquisition Loan. The Authority Loan will be evidenced by the following two notes:

1) Acquisition note in the amount of $800,000 ("Acquisition Note"). The Acquisition Note shall bear no interest and payments shall be due annually from 25% of available surplus cash. Any unpaid balance shall be due and payable in forty-two (42) years.

2) New Financing and Assumed Debt note in the aggregate amount of $5,290,039 which will be structured with a balloon payment at the end of a loan term of 42 years at 0% interest.

The Authority Loan will be secured by a third lien position on the Property behind the construction loan financing provided by FHA ("FHA Construction Loan") and PHFA PHARE funding. Upon payment of the Construction FHA Loan, the Authority Loan will remain in a third lien position on the Property behind the Permanent FHA Loan in the amount of $13,800,000 or such other loan amount supported by FHA underwriting of the Property and the PHFA PHARE Funds.

The Authority will provide a Gap Loan in the amount of $300,000. The Gap Loan shall bear no interest and payments shall be due annually from 25% of available surplus cash and any unpaid balance shall be due and payable in forty-two (42) years. The Gap Loan will be in a fourth lien position on the Property.

FHA Construction Loan is providing tax exempt bond construction financing in an amount between $13,800,000 and $14,400,000 based on final underwriting criteria which will bridge the Permanent FHA Loan and advance loan proceeds. At construction completion the Permanent FHA Loan proceeds will be used to repay the FHA Construction Loan. The FHA Construction Loan will be secured by a first lien position on the Property during construction.

TD Bank, N. A. will provide an equity bridge in an approximate amount of $12,600,000, which will bridge the equity contributions and advance loan proceeds. This loan will have a maturity date which is twenty-four months from the date of loan closing and will be repaid from the equity provided by the investment limited partner. The equity bridge loan will be secured by a first priority assignment of General Partner interest in the Project and a first priority assignment and pledge of general partner interest in the proceeds of equity in the Project.

The Richman Group has reserved/allocated 99.99% interest in the Limited Partnership for a net purchase price of $16,947,733 of which $12,149,777 shall be in respect of Low-Income Housing Tax Credits and $4,797,956 shall be with respect to Federal Historic Rehabilitation Tax Credit.
PHFA PHARE funds in the amount of $1,950,000 will be in a second lien position on the Property.

Interim Income in the amount of $428,806.

Deferred Developer Fee in the amount of $710,274.

Working Capital Escrow in the amount of $276,000.

Energy Rebates in the amount of $100,000.

APPROVALS

- Construction Division approval of plans, specifications and cost
- The participation ranges for MBE are 18%, WBE 7% has been approved by the Office of Economic Opportunity
- Department of Revenue’s tax clearance for all member of the Development Team
- The Philadelphia Planning Commission has stated they do not need to review this project due to the funding source

EXHIBITS

- Project Development Team
- Winn Companies
- Development Budget
- Operating Proforma
- MBE/WBE approval
- Site Plan
Carl Mackley Apartments Preservation Development
Project Development Team

OWNER
Carl Mackley Houses Limited Partnership
Six Faneuil Hall Market Place
Boston, MA 02109

GENERAL PARTNER
Carl Mackley Houses, GP LLC
Six Faneuil Hall Market Place
Boston, MA 02109

DEVELOPER
WDP Manager Corp.
Winn Companies
6 Faneuil Hall Market Place
Boston, MA 02109

CONTRACTOR
Domus, Inc.
346 E. Walnut Lane
Philadelphia, PA 19144

ARCHITECT
Kramer + Marks Architects
27 S. Main Street
Ambler, PA 19002

ATTORNEY
Berman Indictor LLP
2.0 University Place
30 N. 41st Street, Ste. 450
Philadelphia, PA 19104

MANAGEMENT AGENT
Winn Managed Properties, LLC
Six Faneuil Hall Marketplace
Boston, MA 02109
## Development Financing

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Rate</th>
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<tbody>
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<td>PRA HTF</td>
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<tr>
<td>PRA Acquisition Financing</td>
<td>$800,000</td>
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<td>PRA Gap Financing</td>
<td>$300,000</td>
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<td>PRA Existing Debt Assumption</td>
<td>$3,290,039</td>
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<td>Limited Partnership</td>
<td>$12,149,777</td>
<td>29.80%</td>
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<td>Limited Partnership (Federal HTC)</td>
<td>$4,797,956</td>
<td>11.77%</td>
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<td>Limited Partnership (State HTC)</td>
<td>$174,983</td>
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<td>Tax Exempt Bond (Perm Mortgage Loan)</td>
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<td>Deferred Developer Fee</td>
<td>$710,274</td>
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<td>Return of Working Capital Escrow</td>
<td>$276,000</td>
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<td>NOI During Rehab Period</td>
<td>$428,806</td>
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<td>PHARE Loan</td>
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<td><strong>Total Financing</strong></td>
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## Development Costs

### Construction Costs

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<td>Site Work</td>
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<td>Offsite Improvements</td>
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<td>Environ Remed(gc con)</td>
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<td><strong>Sub-total Site Work</strong></td>
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<td>Structures</td>
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<td>Builders Profit</td>
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<td>Bond Premium</td>
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<td>Building Permits</td>
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<td>Construction Contingency</td>
<td>$1,121,437</td>
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<td>Other: Insurance &amp; other fees</td>
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<td>Other: COVID PPE</td>
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<td><strong>Total Construction Costs</strong></td>
<td><strong>$23,550,184</strong></td>
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### Fees

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<tr>
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<td>Architectural Fee - Design</td>
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<td>Architectural Fee- Adminstration</td>
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<td>Legal - Development</td>
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<td>Civil Engineering</td>
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<td>Survey</td>
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<td>Soil/Structural Report</td>
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<td>Environmental Audit</td>
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<td>Energy Audit</td>
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<td>HERS Rater</td>
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<td>Passive House Consultant</td>
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<td>Project Capital Needs Asssessment</td>
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<td>Property Appraisal</td>
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<td>Market Study</td>
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<td>Cost Certification</td>
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<td>Other: Historic Consultant</td>
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<td>Other</td>
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<td><strong>Misc. Development Charges</strong></td>
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<td>Multifamily Housing Applic Fee</td>
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<td>Agency Legal Closing Fee</td>
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<td>Tax Credit Reservation Fee</td>
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<td>Tax Credit Carryover Allocation Fee</td>
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<td>Tax Credit Cost Certification Fee</td>
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<td>Furnishings (Common Area)</td>
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<td>Rent-up expense</td>
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<td>Relocation</td>
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<td>Utility Tap in, Hook up, &amp; Municipal Fee</td>
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<td>Subsidy Layering Review Fee</td>
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<td>Other: Builder's Risk Insurance</td>
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<td>Other: Security during construction</td>
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<td><strong>Misc. Development Subtotal</strong></td>
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<td><strong>Construction &amp; Financing Charges</strong></td>
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<td>Construction Loan Application Fee</td>
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<td>Taxes During Construction</td>
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<td>Insurance During Construction</td>
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<td>PHFA Construction Servicing Fee</td>
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<td>Other: Lender Legal and DD</td>
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<td><strong>Permanent Financing</strong></td>
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<td>Agency Loan Reservation Fee</td>
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<td>Agency Loan Origination Fee</td>
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<td>Cost Of Issuance/Underwriters Discount</td>
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<tr>
<td>Non-Agency Permanent Financing Legal i</td>
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<tr>
<td>Other: Agency Loan Legal fee</td>
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<tr>
<td>Other: Non-Agency Perm Financing Legal</td>
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<td>Other: TEFRA, Trustee and Rating Fees</td>
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<td><strong>Permanent Financing Subtotal</strong></td>
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<td><strong>Land and Building Purchase</strong></td>
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<td>Acquisition of Land</td>
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<td>Acquisition of Existing Structures</td>
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<td>Acquisition Legal Fees</td>
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<td>Closing Costs</td>
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<td>Demolition Of Existing Structures</td>
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<td><strong>Land/Building Purchase Subtotal</strong></td>
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**Development Reserves**

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<td>Transformation Reserve</td>
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<td>Rental Subsidy Reserve</td>
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<td>Real Estate Tax Reserve 1 yr</td>
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<tr>
<td>Insurance Reserve 1 yr</td>
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<td>Social Service Reserve</td>
<td>$ 625,000</td>
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<tr>
<td>Other: Initial Deposit to RFR</td>
<td>$ 184,000</td>
</tr>
<tr>
<td>Other: Working Capital Deposit</td>
<td>$ 276,000</td>
</tr>
<tr>
<td><strong>Reserves Subtotal</strong></td>
<td><strong>$ 1,606,733</strong></td>
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**Developer’s Fee**

- $ 2,625,000

**Syndication Fees**

<table>
<thead>
<tr>
<th>Fee</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational</td>
<td>$ 1,100</td>
</tr>
<tr>
<td>Bridge loan interest during construction</td>
<td>$ 565,000</td>
</tr>
<tr>
<td>Bridge Loan Interest After Construction</td>
<td>$ -</td>
</tr>
<tr>
<td>Bridge Loan Fees &amp; Expenses</td>
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<td>Legal Fees</td>
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<tr>
<td>Accounting Fees</td>
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<tr>
<td>Compliance Monitoring</td>
<td>$ 147,200</td>
</tr>
<tr>
<td>Other: Agency Energy Benchmarking Fee</td>
<td>$ 1,500</td>
</tr>
<tr>
<td><strong>Syndication Fees Subtotal</strong></td>
<td><strong>$ 853,242</strong></td>
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</table>

**Total Development Costs**

- $ 40,777,835

**Total Units**: 184

**Total Sq. Ft.**: 233,816

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<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Construction Costs</td>
<td>$ 127,990</td>
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<tr>
<td>Total Replacement Costs</td>
<td>$ 193,983</td>
</tr>
<tr>
<td>Total Development Costs</td>
<td>$ 221,619</td>
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<tr>
<td>Replacement Cost + Dev. Fee</td>
<td>$ 208,249</td>
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<tr>
<td><strong>Cost per Unit Allowable</strong></td>
<td>$ 306,207</td>
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<tr>
<td><strong>Cost per Unit for Project</strong></td>
<td>$ 193,983</td>
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<tr>
<td><strong>Cost per Square Foot Allowable</strong></td>
<td>$ 225 psf</td>
</tr>
<tr>
<td><strong>Cost per Sq. Ft. for Project</strong></td>
<td>$ 164 psf</td>
</tr>
</tbody>
</table>

**Cost Analysis**

- Blended per Unit Cost Allowable: £ 10,676,925
- Blended per Unit Cost Allowable: £ 25,389,672
- **Cost per Unit Allowable**: £ 306,207

**Cost per Square Foot Allowable**: £ 225 psf

**Cost per Sq. Ft. for Project**: £ 164 psf

**120% of 234-Condominium**: 63.35%

**The % needs to be 100%/below otherwise bidding is req’d**
## HOME Maximum Subsidy

<table>
<thead>
<tr>
<th>Maximum 234-Condo-Elevator</th>
<th>226,820 per unit</th>
<th>allowable</th>
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<tbody>
<tr>
<td>DHCD HOME Funding</td>
<td>$10,870 per unit</td>
<td></td>
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</table>

### Developer's Fee Analysis/Maximum Developer's Fee Allowable for Project

| Total Replacement Cost | $35,692,860 |  
| less acquisition costs | (8,119,593) |  
| Basis for Developer's Fee | $27,573,267 |  
| Basis for Developer's Fee | $27,573,267 |  
| Total Fee Allowable | $2,757,327 |  
| Developer Fee for Project | $2,625,000 | Allowable |
| less reinvested dev. Fee | $710,274 |  
| Net Developer's Fee for Project | $1,914,726 |  

Scope of Construction: rehab Elevator in Building? no

(rehab or no) (yes or no)
Rental Income

| Unit Distribution | 5% - RESB | 10% - RESB | 25% - RESB | 30% - LIHTC | 40% - LIHTC | 25% - LIHTC | 50% - LIHTC | 100% - LIHTC | Total | 5% - RESB | 10% - RESB | 25% - RESB | 30% - LIHTC | 40% - LIHTC | 25% - LIHTC | 50% - LIHTC | 100% - LIHTC | Total |
|-------------------|----------|-----------|------------|-------------|------------|-----------|----------|-----------|-------|----------|-----------|------------|-------------|------------|----------|-----------|----------|-------|----------|
| 1 BHK             | 4        | 7         | 20         | 14          | 40         | 64        | 83       | 95        | 100   | 100      | 100       | 100         | 100         | 100       | 100       | 100      | 100   | 100      |
| 2 BHK             | 5        | 8         | 22         | 15          | 45         | 64        | 83       | 94        | 100   | 100      | 100       | 100         | 100         | 100       | 100       | 100      | 100   | 100      |
| 3 BHK             | 6        | 9         | 25         | 17          | 51         | 64        | 83       | 95        | 100   | 100      | 100       | 100         | 100         | 100       | 100       | 100      | 100   | 100      |
| 4 BHK             | 7        | 10        | 28         | 20          | 65         | 64        | 83       | 95        | 100   | 100      | 100       | 100         | 100         | 100       | 100       | 100      | 100   | 100      |
| 5 BHK             | 8        | 11        | 31         | 23          | 72         | 64        | 83       | 95        | 100   | 100      | 100       | 100         | 100         | 100       | 100       | 100      | 100   | 100      |

**Trending Assumptions**

| Item | 5% - RESB | 10% - RESB | 25% - RESB | 30% - LIHTC | 40% - LIHTC | 25% - LIHTC | 50% - LIHTC | 100% - LIHTC | Total |
|------|----------|-----------|------------|-------------|------------|-----------|----------|-----------|-------|----------|
| Income from Operations | $884,256 | $884,256 | $884,256 | $884,256 | $884,256 | $884,256 | $884,256 | $884,256 | $884,256 | $884,256 | $884,256 | $884,256 | $884,256 | $884,256 | $884,256 | $884,256 | $884,256 | $884,256 |
| Net Operating Income | $170,080 | $170,080 | $170,080 | $170,080 | $170,080 | $170,080 | $170,080 | $170,080 | $170,080 | $170,080 | $170,080 | $170,080 | $170,080 | $170,080 | $170,080 | $170,080 | $170,080 | $170,080 |
| Operating Reserve | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | $1,877,395 | $1,877,395 | $1,877,395 | $1,877,395 | $1,877,395 | $1,877,395 | $1,877,395 | $1,877,395 | $1,877,395 | $1,877,395 | $1,877,395 | $1,877,395 | $1,877,395 | $1,877,395 | $1,877,395 | $1,877,395 | $1,877,395 | $1,877,395 |
| NET OPERATING INCOME | $170,080 | $170,080 | $170,080 | $170,080 | $170,080 | $170,080 | $170,080 | $170,080 | $170,080 | $170,080 | $170,080 | $170,080 | $170,080 | $170,080 | $170,080 | $170,080 | $170,080 | $170,080 |

**Item III (a)**
City of Philadelphia
Economic Opportunity Plan

CARL MACKLEY HOUSES
1401 E. Bristol St. Philadelphia, PA 19124

I. Introduction, Definitions, Goals and Diversity Practices

The City of Philadelphia, acting through its offices of the Division of Housing and Community Development (“DHCD”) and Office of Economic Opportunity (“OEO”) (collectively, “City”) and the Philadelphia Redevelopment Authority (“PRA”) strongly encourage the use of certified Minority (“MBE”), Women (“WBE”), Disabled (“DSBE”) and Disadvantaged1 (“DBEs”) Business Enterprises (collectively, “M/W/DSBEs”) and minority and female workers in all aspects of the development and use of a parcel(s) of land located at 1401 E. Bristol Street, which may include financial investment, design, construction and operations (Project). In support of this objective, City and PRA will require that Carl Mackley Houses Limited Partnership (“Purchaser”) of this parcel commit to this Economic Opportunity Plan (“EOP” or “Plan”) as required by Section 17-1602 of The Philadelphia Code, as amended.

This Plan contains ranges of projected M/W/DSBE utilization and goals for the employment of minority and female workers in connection with the Project. Purchaser shall cause this Plan to be made part of and incorporated into all bids, proposals and solicitations and any resulting agreement(s) entered into between Purchaser and any participant in connection with the development and use of the parcel. By submission of this Plan, Purchaser makes a legally binding commitment to the City and PRA to abide by the provisions of this Plan which include its commitment to exercise its Best and Good Faith Efforts throughout the project and its commitment to cause its participants to use their Best and Good Faith Efforts to provide subcontracting opportunities for M/W/DSBEs in all phases of the project and to employ a diverse workforce. This Plan expressly applies to all contracts awarded in connection with the Project.

Neither Purchaser nor any participant shall discriminate on the basis of race, color, religion, sex, national origin, sexual orientation, gender identity, ancestry, age, or handicap in the award and performance of contracts pertaining to this Plan. Purchaser has summarized its current and past practices relating to Purchaser’s diversity practices (“Diversity Practices Statement”). This statement, included as Attachment “A” to this Plan, identifies and describes Purchaser’s processes used to develop diversity at all levels of Purchaser’s organization including, but not limited to, board and managerial positions. This Diversity Practices Statement summarizes Purchaser’s strategic business plans specific to its current or past practices of M/W/DSBE utilization on its government and non-government projects and procurement activities. Purchaser further agrees to identify any “Equity Ownership” held in connection with this Project which shall mean the percentage of beneficial ownership in the Purchaser’s organization or development team that is held by minority persons, women and disabled persons. In the event Equity Ownership is identified, Purchaser agrees to abide by the reporting requirements enumerated in Section 17-1603 (1)(g)(.3).

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1Disadvantaged Business Enterprises (“DBEs”) are those socially or economically disadvantaged minority and woman owned businesses certified under 49 C.F.R. Part 26.
Purchaser hereby verifies that all information submitted to the City in response to this Plan, is true and correct and is notified that the submission of false information is subject to the penalties of 18 Pa.C.S. Section 4904 (relating to unsworn falsification to authorities) and 18 Pa.C.S. Section 4107.2 (a)(4) (relating to fraud in connection with minority business enterprises or women's business enterprises).

For the purposes of this Plan, MBE, WBE, DBE and DSBE shall refer to certified businesses so recognized by OEO. Only the work or supply effort of firms that are certified as M/W/DSBEs by an OEO approved certifying agency 2 will be eligible to receive credit as a Best and Good Faith Effort. In order to be counted, certified firms must successfully complete and submit to the OEO an application to be included in the OEO Registry which is a list of registered M/W/DSBEs maintained by the OEO and available online at www.phila.gov/oeo/directory.

For this Plan, the term “Best and Good Faith Efforts,” the sufficiency of which shall be in the sole determination of the City, means: efforts, the scope, intensity and appropriateness of which are designed and performed to foster meaningful and representative opportunities for participation by M/W/DSBEs and an appropriately diverse workforce and to achieve the objectives herein stated. Best and Good Faith Efforts are rebuttably presumed met, when commitments are made within the M/W/DSBE Participation Ranges established for this development and a commitment is made to employ a diverse workforce as enumerated herein.

II. Goals

A. M/W/DSBE Participation Ranges

The City of Philadelphia has established a citywide goal of 35% M/W/DSBE utilization as informed by its Annual Disparity Study. 3 This citywide goal should be used as a benchmark for the Purchaser’s expression of Best and Good Faith Efforts which are efforts taken by Purchaser to provide meaningful and representative opportunities for participation by M/W/DSBEs in the Project. For this project, in the absence of discrimination in the solicitation and selection of M/W/DSBEs, the percentage of MBE, WBE and DSBE participation that is reasonably attainable through the exercise of Best and Good Faith Efforts is stated below as participation ranges. These percentages relate to the good faith estimated cost of the entire Project. In order to maximize opportunities for as many businesses as possible, a firm that is certified in two or more categories (e.g. MBE and WBE and DSBE or WBE and DSBE) will only be credited toward one participation range as either an MBE or WBE or DSBE. The firm will not be credited toward more than one category. These ranges are based upon an analysis of factors such as the size and scope of the development and the availability of MBEs, WBEs, DSBEs and DBEs to participate in this Project:

<table>
<thead>
<tr>
<th>MBE</th>
<th>WBE</th>
</tr>
</thead>
<tbody>
<tr>
<td>18%</td>
<td>7%</td>
</tr>
</tbody>
</table>

2 A list of “OEO approved certifying agencies” can be found at www.phila.gov/oeo
3 The City of Philadelphia FY’16 Annual Disparity Study recommends a an overall goal of 35% based upon an analysis of FY’16 utilization and availability.
B. Workforce Goals for a Diverse Workforce

As a benchmark for the expression of “Best and Good Faith Efforts” to provide meaningful and representative opportunities for diverse workers in the Project, the following goals have been established for the employment of minority persons and females in the Project workforce of apprentices and journeymen at the following levels:

- African American Journeypersons – 22% of all journey hours worked across all trades
- Asian Journeypersons – 3% of all journey hours worked across all trades
- Hispanic Journeypersons – 15% of all journey hours worked across all trades
- Female Journeypersons – 5% of all journey hours worked across all trades
- Minority Apprentices – 50% of all hours worked by all apprentices
- Female Apprentices – 5% of all hours worked by all apprentices

III. Responsiveness

A. Purchaser shall, and shall cause its participants to identify all M/W/DSBE commitments and agree to employ a diverse workforce on the form entitled, “M/W/DSBE Participation and Workforce Commitments.” The commitments on this form constitute a representation that the identified M/W/DSBE is capable of providing commercially useful goods or services relevant to the commitments and that the Purchaser and its participants have entered into legally binding agreements with the listed M/W/DSBEs for the work or supply effort described and the dollar/percentage amount(s) set forth on the form. In calculating the percentage of M/W/DSBE participation, the standard mathematical rules apply in rounding off numbers. In the event of inconsistency between the dollar and percentage amounts listed on the form, the percentage will govern.

B. M/W/DSBE commitments are to be memorialized in a written subcontract agreement. Letters of intent, quotations, contracts, subcontracts and any other documents evidencing commitments with M/W/DSBEs, including the M/W/DSBE Participation and Workforce Commitments Form, become part of and an exhibit to this Plan.

C. DHCD will review the M/W/DSBE Participation and Workforce Commitments Form for the purpose of determining whether Best and Good Faith Efforts have been made. DHCD reserves the right to request further documentation and/or clarifying information at any time during the construction and development of the Project.

D. If Purchaser, its participants or any subsequent developer makes any changes in contracts that have been reviewed by DHCD under the Plan, or if Purchaser at the time of Closing has not yet identified contracts entered into for the development of the Project, then Purchaser, its participants or any subsequent developer shall have the obligation to inform DHCD of any changes to the approved Plan and shall use Best and Good Faith efforts to use M/W/DSBEs for any new contracts.

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4 These goals are informed by the City of Philadelphia’s annual disparity assessment of workforce diversity, the “Economic Opportunity Plan Employment Composition Analysis Fiscal Year 2016.”
IV. Compliance and Monitoring of Best and Good Faith Efforts

A. A hard copy of this Plan, as certified below by OEO, shall be filed with the Chief Clerk of City Council within fifteen (15) days of Closing. The Plan shall be filed with:

Michael Decker, Chief Clerk of City Council
Room 402 City Hall
Philadelphia, Pennsylvania 19107

B. Purchaser and its participants agree to cooperate with DHCD in its compliance monitoring efforts, and to submit, upon the request of DHCD, documentation relative to their implementation of the Plan, including the items described below:

- Copies of signed contracts and purchase orders with M/W/DSBE subcontractors;
- Evidence of payments (cancelled checks, invoices, etc.) to subcontractors and suppliers to verify participation; and
- Telephone logs and correspondence relating to M/W/DSBE commitments.
- To the extent required by law, the Purchaser and its participants shall ensure that all its on-site contractors maintain certified payrolls which include a breakout of hours worked by minority and female apprentices and journeypersons; these documents are subject to inspection by the City.

C. Prompt Payment of M/W/DSBEs

1. The Purchaser and its participants agree and shall cause all its contractors to ensure that all M/W/DSBEs participating in the Project receive payment for their work or supply effort within five (5) business days after receipt of a proper invoice following satisfactory performance.

D. Oversight Process

1. Where the dollar value of development is in excess of Five Million Dollars ($5,000,000), the Plan shall establish a Project Oversight Committee, consisting of, as appropriate, the contractor, developer or recipient of financial assistance and representatives of the Purchaser, PRA, OEO, DCHD, City Council, and appropriate community organizations. Such Committee shall meet regularly, beginning no later than the initiation of the design phase of the project, and shall be responsible for facilitating compliance with the Plan. OEO will implement the Oversight Process, as required by Section 17-1603(b) of The Philadelphia Code. The Oversight Committee, through the Oversight Process, shall have within its purview the reconciliation of all compliance related issues or grievances. The Oversight Committee Process, as needed, will involve convening individual consultation or periodic small group meetings to include any or all of the constituent parties.
V. Remedies and Penalties for Non-Compliance

A. The Purchaser acknowledges and agrees that its compliance with the requirements of this Plan is a material inducement for the Ordinance of City Council and Purchaser’s failure to substantially comply with the Plan may result in enforcement actions and the imposition of penalties as authorized by Sections 17-1605 and 17-1606 of The Philadelphia Code. Notwithstanding the foregoing, no privity of contract exists between PRA, the City and any M/W/DSBE identified in any contract resulting from implementation of the Plan. Neither PRA nor the City intends to give or confer upon any such M/W/DSBE any legal rights or remedies in connection with subcontracted services under any law or policy or by any reason of any contract resulting from implementation of the Plan except such rights or remedies that the M/W/DSBE may seek as a private cause of action under any legally binding contract to which it may be a party.

Lawrence H. Curtis, its President  10/6/2020

PRINT NAME OF PURCHASER  DATE

__________________________  10/6/2020
SIGNATURE OF PURCHASER  DATE

Lynn T. Newsome  11/19/2020

LYNN NEWSOME, DHCD COMPLIANCE DIRECTOR  DATE

IOLA HARPER, DIRECTOR, OFFICE OF ECONOMIC OPPORTUNITY\(^5\)  DATE

\(^5\) Pursuant to Section 17-1603 (2) of The Philadelphia Code, the representative of the City of Philadelphia’s Office of Economic Opportunity, the “certifying agency”, certifies that the contents of this Plan are in compliance with Chapter 17-1600.

[See Forms on following pages; these Forms, must be submitted by Purchaser]
MEMORANDUM

TO: Lynn Newsome, DHCD Compliance Director
FROM: Zena Holland, Community Investment Group
SUBJECT: Economic Opportunity Plan/Solicitation and Commitment Forms

Carl Mackley Apartments Preservation

DATE: November 9, 2020

Attached please find the Economic Opportunity Plan and Solicitation and Commitment forms for the Carl Mackley Apartments Preservation Development. If the Plan meets the DHCD’s goals, please fill out the bottom half of this memorandum. Thank you.

Project Name: Carl Mackley Apartments Preservation
Project Address: 1401 E. Bristol Street
Owner: Carl Mackley Houses Limited Partnership
Developer: Winn Companies
Unit Breakdown: 184 - rental units
PRA Funding Amount: $2,000,000 - Housing Trust Funds
+ $300,000 - Gap Funding
+ $800,000 – Acquisition Loan
General Contractor: Domus, Inc.
Construction Cost: $22,428,747
Total Development Cost: $40,333,087

I, Lynn Newsome, have reviewed the Affirmative Action Plan and approved the plan submitted by (the contractor) for (the project) for the following goals:

| MBE Goals: | 18% |
| WBE Goals: | 7%  |
| DBE Goals: | ___ |

[Signature]
Lynn T. Newsome
11/19/2020

Lynn Newsome
Date
## CONTRACTOR’S PAST CONTRACTS WITH PRA:

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<tr>
<th>Contract</th>
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<th>Achieved MBE</th>
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</table>
## GENERAL CONTRACTOR’S PAST CONTRACTS WITH PHDC:
**DOMUS, INC.**

<table>
<thead>
<tr>
<th>Contract</th>
<th>Date</th>
<th>Projected MBE Goals</th>
<th>Achieved MBE</th>
<th>Projected WBE Goals</th>
<th>Achieved WBE</th>
<th>Projected DBE Goals</th>
<th>Achieved DBE</th>
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<td>19%</td>
<td>10%</td>
<td>2%</td>
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<tr>
<td>Cantrell Senior Housing</td>
<td>2/28/19</td>
<td>18%</td>
<td>23%</td>
<td>7%</td>
<td>9%</td>
<td>2%</td>
<td>0%</td>
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<tr>
<td>Roberto Clemente Homes</td>
<td>7/22/19</td>
<td>18%</td>
<td>17%</td>
<td>7%</td>
<td>2%</td>
<td>2%</td>
<td>0%</td>
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</tbody>
</table>
V. Remedies and Penalties for Non-Compliance

A. The Purchaser acknowledges and agrees that its compliance with the requirements of this Plan is a material inducement for the Ordinance of City Council and Purchaser's failure to substantially comply with the Plan may result in enforcement actions and the imposition of penalties as authorized by Sections 17-1605 and 17-1606 of The Philadelphia Code. Notwithstanding the foregoing, no privity of contract exists between PRA, the City and any M/W/DSBE identified in any contract resulting from implementation of the Plan. Neither PRA nor the City intends to give or confer upon any such M/W/DSBE any legal rights or remedies in connection with subcontracted services under any law or policy or by any reason of any contract resulting from implementation of the Plan except such rights or remedies that the M/W/DSBE may seek as a private cause of action under any legally binding contract to which it may be a party.

Lawrence H. Curtis, its President
By: Carl Mackley Houses GP LLC, its Partner
By: WDP Manager Corp, its Manager
10/6/2020

PRINT NAME OF PURCHASER

SIGNATURE OF PURCHASER

10/6/2020

LYNN NEWSOME, DHCD COMPLIANCE DIRECTOR

IOLA HARPER, DIRECTOR, OFFICE OF ECONOMIC OPPORTUNITY

11/19/2020

11/30/2020

[See Forms on following pages; these Forms, must be submitted by Purchaser]

---

5 Pursuant to Section 17-1603 (2) of The Philadelphia Code, the representative of the City of Philadelphia's Office of Economic Opportunity, the "certifying agency", certifies that the contents of this Plan are in compliance with Chapter 17-1600.
TRANSACTION SUMMARY

Authorization for the Philadelphia Redevelopment Authority ("Authority") to enter a non-recourse construction permanent loan with MF Parkside Preservation LLC ("Borrower") in an amount not to exceed Two Million One Hundred Thirty-Six Thousand Two Hundred Forty Dollars ($2,136,240) ("Authority Loan"). The Authority Loan consists of assumed Authority debt in the amount of One Hundred Thirty-Six Thousand Two Hundred Forty Dollars ($136,240) ("Assumed Debt") and new financing in an amount not to exceed Two Million Dollars ($2,000,000) "New Financing"). The proceeds of the Authority Loan will be used to preserve eighty-two (82) units of affordable housing ("Project"). The Project is located at 1237-1243 Belmont Ave., 4104 Parkside Ave., 4106 Parkside Ave., 4201 Girard Ave., 4202 Parkside Ave., 4208 Parkside Ave., 4210 Parkside Ave., 4216 Parkside Ave., 4218 Parkside Ave., 4222 Parkside Ave., 4238 Parkside Ave., 4240 Parkside Ave., and 4244 Parkside Avenue in the East Parkside neighborhood of West Philadelphia (collectively, the "Properties").

BACKGROUND INFORMATION

PARKSIDE BELMONT

In 2018, the Authority provided a loan to Parkside 2000 Associates, L.P secured by a mortgage ("Belmont Mortgage") on certain property located at 1237-43 Belmont Avenue ("Belmont Property") and evidenced by a note in the amount of the Assumed Debt. The proceeds of the Assumed Debt provided financing to assist in the moderate rehabilitation of twelve (12) units of permanent rental housing for low income residents. As part of the Project, the Belmont Mortgage will be satisfied. The Assumed Debt will be included as part of a new mortgage which will be secured by the Properties.

PROJECT DESCRIPTION

The following capital improvements will be made to the Properties: replacement of flooring, furnaces, air handlers, condensers, water heaters, light fixtures, building systems’ update, windows repair/replacement, as-needed HVAC upgrades, building envelope repairs, porch and masonry work, new appliances, as-needed bathroom and kitchen upgrades, and painting. The
renovations will also include accessibility upgrades to nine (9) units along with a new two-stop elevator bringing the units up to full ADA compliance.

The Project will be targeted to individuals who are formerly homeless, experiencing mental illness, or physically disabled with income at or below 60% of the Area Median Income.

The Project has a HAP Contract for Project Based Assistance on forty-nine (49) units for an additional twenty (20) years to support this effort. Twenty-six (26) units will receive tenant-based rental assistance from the City of Philadelphia (the "City").

FINANCING

The Authority Loan in an amount not to exceed Two Million One Hundred Thirty-Six Thousand Two Hundred Forty Dollars ($2,136,240) (consisting of Assumed Debt and New Financing) will be structured with a term of forty-two (42) years at 0% 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 forty-two (42) years. The Authority Loan will be secured by a third lien position on the Properties behind the Construction Loan financing provided by Citi Bank, N.A. ("CITI") ("Construction Loan") and Pennsylvania Housing Finance Agency’s ("PHFA") Pennsylvania Housing Affordability and Rehabilitation Enhancement Funds ("PHARE") funding. Upon payment of the Construction Loan, the Authority Loan will remain in a third lien position on the Properties behind permanent financing provided by CITI in the amount of Three Million Three Hundred Thousand Dollars ($3,300,000) or such other loan amount supported by CITI’s underwriting of the Properties at the time of conversion ("CITI Permanent Loan") and the PHFA PHARE funds.

BOARD ACTION

The Board is asked to consent to the following:

- Permit the transfer of the Belmont Property to the Borrower;
- Permit the Belmont Mortgage to be satisfied;
- Permit the assumption by the Borrower of Assumed Debt ;
- Permit the Authority to enter into a non-recourse construction/permanent loan in an amount not to exceed Two Million One Hundred Thirty-Six Thousand Two Hundred Forty Dollars ($2,136,240) ("Authority Loan") with Borrower (consisting of New Financing and Assumed Debt);
- The term of the Authority Loan will be for forty-two (42) years at 0% 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 forty-two (42) years.
- The Authority Loan will be secured by a third lien position on the Properties behind the Construction Loan and PHFA PHARE Funds during construction. Upon payment...
of the Construction Loan, the Authority Loan will remain in a third lien position behind the CITI Permanent Loan and the PHFA PHARE funds on the Properties.

COMMENTS OR OTHER CONDITIONS:

The City has approved the Economic Opportunity Plan for the Parkside Neighborhood Preservation Development. The Development Team has no outstanding tax issues. The Authority Housing Construction Department has approved the plans, specification, and construction costs. The Philadelphia Planning Commission has stated they do not need to review this Project due to the funding source.

Proposed Resolution is attached

Prepared by: Zena Holland, Senior Housing Development Officer
Reviewed by: Darci Bauer, Director Housing Finance
RESOLUTION NO.

RESOLUTION AUTHORIZING THE AUTHORITY TO ENTER INTO A NON-RECOOURSE CONSTRUCTION PERMENANT LOAN WITH MF PARKSIDE PRESERVATION LLC AND TO PERMIT EXISTING AUTHORITY DEBT TO BE ASSUMED AND RESTRUCTURED UNDER NEW TERMS AND CONDITIONS

WHEREAS, Mission First Housing Development Corporation, the sponsor, has developed a preservation plan to combine certain properties in their inventory into a single project, Parkside Neighborhood Preservation ("Project"), consisting of eighty-two (82) affordable housing units in sixteen (16) buildings located at 1237-1243 Belmont Ave, 4104 Parkside Ave., 4106 Parkside Ave., 4201 Girard Ave., 4202 Parkside Ave., 4208 Parkside Ave., 4210 Parkside Ave., 4216 Parkside Ave., 4218 Parkside Ave., 4222 Parkside Ave., 4238 Parkside Ave., 4240 Parkside Ave., and 4244 Parkside Avenue ("Properties") under one owner, MF Parkside Preservation LLC ("Borrower"); and

WHEREAS, in 2018 the Authority provided financing in the amount of One Hundred Thirty-Six Thousand Two Hundred Forty Dollars ($136,240) ("Belmont Loan") to Parkside 2000 Associates, L.P., secured by a mortgage ("Belmont Mortgage") on the property located at 1237-43 Belmont Avenue ("Belmont Property"). The proceeds of the Belmont Loan provided financing to assist in the moderate rehabilitation of twelve (12) units of permanent rental housing; and

WHEREAS, as part of the Project, the Belmont Loan will be assumed by the Borrower ("Assumed Debt") and the Belmont Mortgage will be satisfied. The Assumed Debt will be included as part of a new mortgage which will be secured by the Properties; and

WHEREAS, the Borrower will make capital improvements to the Properties and maintain the units as low-income housing to serve individuals who are formerly homeless, experiencing mental illness, or physically disabled with income at or below sixty (60%) percent of Area Median Income; and

WHEREAS, to finance the Project, the Borrower applied and received from the Pennsylvania Housing Finance Agency ("PHFA") four (4%) percent low income housing tax credit/tax exempt bonds and PHFA Pennsylvania Housing and Rehabilitation Enhancement Funds ("PHARE"). In addition, the Borrower received a financing commitment from the Division of Housing and Community Development in the amount of Two Million Dollars ($2,000,000) ("New Financing"); and

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

The Board is asked to consent to the following:

- Permit the satisfaction of the Belmont Mortgage;
- Permit the transfer of the Belmont Property to the Borrower;
Permit the assumption by the Borrower of Assumed Debt;
Permit the Authority to enter a non-recourse construction/permanent loan in and amount not to exceed $2,136,240 ("Authority Loan") with Borrower consisting of New Financing and Assumed Debt;
The term of the Authority Loan will be for forty-two (42) years at 0% 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 forty-two (42) years;
The Authority Loan will be secured by a third lien position behind construction financing provided by Citi Bank, N.A., ("CITI") and PHFA PHARE Funds. Upon payment of the construction loan, the Authority Loan remain in a third lien position behind a CITI Permanent Loan and PHFA PHARE Funds.

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.
Philadelphia Redevelopment Authority

Project Fact Sheet

<table>
<thead>
<tr>
<th>PROJECT NAME</th>
<th>Parkside Neighborhood Preservation</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADDRESS</td>
<td>1237-1243 Belmont Ave., 4104 Parkside Ave., 4106 Parkside Ave., 4201 Girard Ave., 4202 Parkside Ave., 4208 Parkside Ave., 4210 Parkside Ave., 4216 Parkside Ave., 4218 Parkside Ave., 4222 Parkside Ave., 4238 Parkside Ave., 4240 Parkside Ave., and 4244 Parkside Avenue</td>
</tr>
<tr>
<td>OWNER/BORROWER</td>
<td>MF Parkside Preservation LLC</td>
</tr>
<tr>
<td>GENERAL PARTNER</td>
<td>MF Parkside Preservation Manager LLC</td>
</tr>
<tr>
<td>DEVELOPER/SPONSOR</td>
<td>Mission First Housing Development Corporation (“MFHDC”)</td>
</tr>
<tr>
<td>GENERAL CONTRACTOR</td>
<td>Columbus Property Management &amp; Development, Inc.</td>
</tr>
<tr>
<td>TOTAL DEVELOPMENT COST</td>
<td>$16,852,238</td>
</tr>
<tr>
<td>TOTAL CONSTRUCTION COST</td>
<td>$6,358,757</td>
</tr>
<tr>
<td>PRA FINANCING</td>
<td>$2,000,000 - Housing Trust Funds &amp; $136,240 Assumed Debt</td>
</tr>
<tr>
<td>SCOPE OF CONSTRUCTION</td>
<td>Acquisition/Rehabilitation</td>
</tr>
</tbody>
</table>

The Parkside Neighborhood Preservation development will consist of the acquisition and historic preservation of eighty-two (82) affordable housing units in sixteen (16) buildings (“Project”). The Project includes one (1) efficiency, sixty-six (66) one-bedrooms, thirteen (13) two-bedrooms, and two (2) three-bedroom units located in sixteen (16) existing multifamily walk-up buildings. The Project is located at 1237-1243 Belmont Ave., 4104 Parkside Ave., 4106 Parkside Ave., 4201 Girard Ave., 4202 Parkside Ave., 4208 Parkside Ave., 4210 Parkside Ave., 4216 Parkside Ave., 4218 Parkside Ave., 4222 Parkside Ave., 4238 Parkside Ave., 4240 Parkside Ave., and 4244 Parkside Avenue (“Properties”) in the East Parkside neighborhood of West Philadelphia.

The following capital improvements will be made to the Properties: Replacement of flooring, furnaces, air handlers, condensers, water heaters, light fixtures, building systems’ update, windows repair/replacement, as-needed HVAC upgrades, building envelope repairs, porch and masonry work, new appliances, and as-needed bathroom and kitchen upgrades, and painting. The
renovations will also include accessibility upgrades to nine (9) units along with a new two-stop elevator bringing the units up to full ADA compliance.

The Project will be targeted to individuals who are formerly homeless, experiencing mental illness, or physically disabled with income at or below 60% of the Area Median Income. The Project has a HAP Contract for Project Based Assistance on 49 units for an additional 20 years to support this effort. Twenty-six (26) units will receive tenant-based rental assistance from the City of Philadelphia Behavioral Health System.

OWNER/BORROWER DESCRIPTION

MF Parkside Preservation LLC, (“Borrower”), a limited liability Company, was formed for the sole purpose of developing the Project. MF Parkside Preservation Manager LLC will serve as general partner. MFHDC will serve as the developer/sponsor and will organize and advance the Project through the development process, structure the financing, and the syndication of equity proceeds.

MFHDC is a Mission First Housing Group company that is a nonprofit full-service real estate organization that provides affordable housing and services through their affiliates. MFHDC, through their affiliate 1260 Housing Development Corporation, administers over a dozen contracts for the City of Philadelphia serving residents with physical and mental disabilities, partnering with various agencies. Below are past projects:

- **Apartments at New Market West** – 41 rental units – 13-27 N. Salford Street – currently under construction.
- **Mission First Northeast Affordability Initiative** – 38 rental units – 7900-02 Castor Ave., 6735 Bustleton Ave., 1327-37 Crease St., 1647 Dyre St., and 419 Chandler Street – completed 2020.
- **Mission First Center City Affordability Initiative** – 29 rental units – 1237-43 Belmont Ave., 2211 Walnut St., 1213 Spruce St., and 443 McKean Street – PRA funding $488,639- completed 2020.
- **Partnership Preservation Initiative** – 92 rental units – scattered site- PRA funding $5,500,000- completed 2015.
- **Legacy Preservation Initiative** – 139 rental units- scattered site – PRA funding $1,500,000- completed 2014.
- **MPB School Apartments** – 28 rental units – 2811-2819 W. Sedgley Avenue – PRA funding $3,700,000 Completed 2012.

BACKGROUND INFORMATION

In 2018, the Authority provided a loan to Parkside 2000 Associates, L.P. secured by a mortgage (“Belmont Mortgage”) evidenced by a note in the amount of $136,240 (“Belmont Loan”). The proceeds of the Belmont Loan provided financing to assist in the moderate rehabilitation of twelve (12) units of permanent rental housing for low income residents located at 1237-43 Belmont Avenue (“Belmont Property”). As part of the Project, the Borrower will assume the Belmont Loan (“Assumed Debt”), and the Belmont Mortgage will be satisfied. The Assumed Debt will be included as part of a new mortgage which will be secured by the Properties.
PROJECT FINANCING

The Authority is providing a non-recourse construction/permanent loan in an amount not to exceed $2,136,240 ("Authority Loan") consisting of Assumed Debt and $2,000,000 of new financing. The Authority Loan will be structured with a term of 42 years at 0% interest. During the Authority Loan period, no principal or interest will be required to be paid. The entire balance will be due and payable in 42 years. The Authority Loan will be secured by a third lien position on the Properties behind the Construction Loan financing provided by Citi Bank, N.A. ("CITI") ("Construction Loan") and Pennsylvania Housing Finance Agency’s ("PHFA") Pennsylvania Housing Affordability and Rehabilitation Enhancement Funds ("PHARE") funding. Upon payment of the Construction Loan, the Authority Loan will remain in a third lien position on the Properties behind permanent financing provided by CITI in the amount between $3,300,000 - $3,600,000 that will be supported by CITI's underwriting of the Properties at the time of conversion ("CITI Permanent Loan") and the PHFA PHARE funds.

R4 Capital has agreed to purchase 99.99% interest in the Borrower in the estimated amount of $5,779,723 in exchange for low income housing in the amount of $4,148,180 and historic tax credits in the amount of $1,681,543.

CITI is providing tax exempt construction financing in the amount up to $8,700,000 which will bridge the equity contributions and advance loan proceeds. At construction completion and satisfaction of conditions set by the investor, the equity and the CITI Permanent Loan will be used to repay the Construction Loan. The Construction Loan will be secured by a first lien position on the Properties during construction.

PHFA will provide PHARE funds in the amount of $1,000,000. This loan will be secured by a second lien position on the Properties.

MFHDC will allow $746,144 to be assumed by the Borrower. This funding was part of the financing that was provided to Parkside 2000 Associates, L.P.

Sellers Note MFHDC will provide a seller’s note in the amount of $2,501,782 for the acquisition of the Properties.

Reinvested Developer fee in the amount of $746,554.

Interim Income in the amount of $249,000.

Energy Rebates in the amount of $12,795.

Existing Properties Reserves in the amount of $5,000.

Capital Magnet Funds will provide a Construction/Permanent Loan to the Project in the amount of $450,000 during construction. At conversion the Borrower will repay $200,000 and $250,000 will convert to a permanent loan.

TD Housing for Everyone in the amount of $125,000.
APPROVALS

- Environmental Clearance from the Philadelphia City Planning Commission
- Construction Division approval of plans, specifications and costs
- The participation ranges for MBE are 16%, WBE 14% has been approved by the Office of Economic Opportunity
- Department of Revenue’s tax clearance for all members of the Development Team

EXHIBITS

- Development Team
- Board of Directors - Mission First Housing Development Corporation
- Development Budget
- Operating Pro forma
- MBE/WBE/DBE approval
- Site Plan
### Project Development Team

<table>
<thead>
<tr>
<th>Role</th>
<th>Contact Information</th>
</tr>
</thead>
</table>
| **OWNER/BORROWER**          | MF Parkside Preservation LLC  
2042-48 Arch Street, 2nd Floor  
Philadelphia, PA 19103       |
| **GENERAL PARTNER**         | MF Parkside Preservation Manager LLC  
2042-48 Arch Street, 2nd Floor  
Philadelphia, PA 19103       |
| **DEVELOPER/SPONSOR**       | Mission First Housing Development Corporation  
2042-48 Arch Street, 2nd Floor  
Philadelphia, PA 19103       |
| **ARCHITECT**               | Kitchen and Associates, Inc.  
756 Haddon Avenue  
Collingswood, NJ 08108       |
| **CONTRACTOR**              | Columbus Property Management & Development, Inc.  
2042-48 Arch Street, 2nd Floor  
Philadelphia, PA 19103       |
| **ATTORNEY**                | Michael J. Robins  
Berman Indictor LLP  
30 North 41st Street, Suite 450  
Philadelphia, PA 19104       |
| **MANAGEMENT AGENT**        | Columbus Property Management & Development  
2042-48 Arch Street, 2nd Floor  
Philadelphia, PA 19103       |
| **SUPPORTED SERVICES**      | Columbus Property Management & Development/  
Mission First Development Corporation  
2042-48 Arch Street, 2nd Floor  
Philadelphia, PA 19103       |
Board of Directors
Mission First Housing Development Corporation

Harry G. Dittmann
Gina Muldrow
Mark A. Duffy
Mike Davidson, Esq.
Marva E. Williams, Ph.D
James Kilcoyne
Joel Lawson
Russell Johnson
Michael Simmons
Mary Walker
## Development Financing

<table>
<thead>
<tr>
<th>PRA Housing Trust</th>
<th>2,136,240</th>
<th>12.68%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited Partner Equity</td>
<td>5,779,723</td>
<td>34.30%</td>
</tr>
<tr>
<td>Reinvested Developer Fee</td>
<td>746,554</td>
<td>4.43%</td>
</tr>
<tr>
<td>Permanent First Mortgage</td>
<td>3,300,000</td>
<td>19.58%</td>
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<tr>
<td>1260 FHLB Assumed</td>
<td>746,144</td>
<td>4.43%</td>
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<tr>
<td>Seller Note</td>
<td>2,501,782</td>
<td>14.85%</td>
</tr>
<tr>
<td>Interim Income</td>
<td>249,000</td>
<td>1.48%</td>
</tr>
<tr>
<td>Energy Rebates</td>
<td>12,795</td>
<td>0.08%</td>
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<tr>
<td>Existing Reserves</td>
<td>5,000</td>
<td>0.03%</td>
</tr>
<tr>
<td>PHARE</td>
<td>1,000,000</td>
<td>5.93%</td>
</tr>
<tr>
<td>MFHDC Capital Magnet Fund</td>
<td>250,000</td>
<td>1.48%</td>
</tr>
<tr>
<td>TD Housing for Everyone</td>
<td>125,000</td>
<td>0.74%</td>
</tr>
</tbody>
</table>

**Total Financing**

$16,852,238 100.00%

## Development Costs

### General Requirements

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Demolition</td>
<td>0</td>
</tr>
<tr>
<td>Selective Demolition</td>
<td>0</td>
</tr>
<tr>
<td>Site Work</td>
<td>201,000</td>
</tr>
<tr>
<td>Offsite Improvements</td>
<td>0</td>
</tr>
<tr>
<td>Environ Remed(gc con)</td>
<td>9,000</td>
</tr>
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</table>

**Sub-total Site Work**

210,000

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structures</td>
<td>5,269,206</td>
</tr>
<tr>
<td>Builders Profit</td>
<td>328,752</td>
</tr>
<tr>
<td>Builders Overhead</td>
<td>109,584</td>
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<tr>
<td>Bond Premium</td>
<td>62,463</td>
</tr>
<tr>
<td>Building Permits</td>
<td>50,000</td>
</tr>
<tr>
<td>Construction Contingency</td>
<td>317,938</td>
</tr>
<tr>
<td>Other:</td>
<td>0</td>
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<tr>
<td>Other:</td>
<td>0</td>
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</tbody>
</table>

**Total Construction Costs**

$6,676,695

### Fees Subtotal

$750,319
### Project: Parkside Neighborhood Preservation
#### Development Budget

<table>
<thead>
<tr>
<th><strong>Misc. Development Charges</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Multifamily Housing Applic Fee</td>
<td>$3,000</td>
</tr>
<tr>
<td>Agency Legal Closing Fee</td>
<td>$5,000</td>
</tr>
<tr>
<td>Tax Credit Reservation Fee</td>
<td>$27,138</td>
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<tr>
<td>Tax Credit Carryover Allocation Fee</td>
<td>$0</td>
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<tr>
<td>Tax Credit Cost Certificatin Fee</td>
<td>$1,000</td>
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<tr>
<td>Furnishings (Common Area)</td>
<td>$30,000</td>
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<tr>
<td>Rent-up expense</td>
<td>$0</td>
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<tr>
<td>Relocation</td>
<td>$300,150</td>
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<tr>
<td>Utility Tap in, Hook up, &amp; Municipal Fee</td>
<td>$500</td>
</tr>
<tr>
<td>Subsidy Layering Review Fee</td>
<td>$2,000</td>
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<tr>
<td>Other</td>
<td>$0</td>
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<tr>
<td><strong>Misc. Development Subtotal</strong></td>
<td>$368,788</td>
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</table>

<table>
<thead>
<tr>
<th><strong>Construction &amp; Financing Charges</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Loan Interest</td>
<td>$146,893</td>
</tr>
<tr>
<td>Construction Loan Origination Fee</td>
<td>$41,250</td>
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<tr>
<td>Construction Loan Credit Enhancement</td>
<td>$0</td>
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<tr>
<td>Construction Loan Application Fee</td>
<td>$52,963</td>
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<tr>
<td>Taxes During Construction</td>
<td>$5,524</td>
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<tr>
<td>Insurance During Construction</td>
<td>$67,431</td>
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<tr>
<td>Title Insurance</td>
<td>$72,500</td>
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<tr>
<td>Recording</td>
<td>$5,000</td>
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<tr>
<td>PHFA Construction Servicing Fee</td>
<td>$6,000</td>
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<tr>
<td>Other</td>
<td>$0</td>
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<td><strong>Construction/Financing Subtotal</strong></td>
<td>$397,561</td>
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<table>
<thead>
<tr>
<th><strong>Permanent Financing</strong></th>
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</thead>
<tbody>
<tr>
<td>Agency Loan Reservation Fee</td>
<td>$-</td>
</tr>
<tr>
<td>Agency Loan Origination Fee</td>
<td>$0</td>
</tr>
<tr>
<td>Permanent Loan Origination Fee</td>
<td>$55,000</td>
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<tr>
<td>Permanent Loan Credit Enhancement</td>
<td>$0</td>
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<tr>
<td>Cost of Issuance/Underwriters Discount</td>
<td>$49,875</td>
</tr>
<tr>
<td>Other: Conversion Costs</td>
<td>$22,500</td>
</tr>
<tr>
<td>Other: PHFA 42 m fees</td>
<td>$7,500</td>
</tr>
<tr>
<td>Other: PHFA TEFRA Notice Fee</td>
<td>$3,500</td>
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<tr>
<td><strong>Permanent Financing Subtotal</strong></td>
<td>$138,375</td>
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<table>
<thead>
<tr>
<th><strong>Land and Building Purchase</strong></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Acquisition of Land</td>
<td>$600,000</td>
</tr>
<tr>
<td>Acquisition of Existing Structures</td>
<td>$5,095,000</td>
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<tr>
<td>Acquisition Legal Fees</td>
<td>$10,000</td>
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<tr>
<td>Closing Costs</td>
<td>$116,748</td>
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<tr>
<td>Demolition Of Existing Structures</td>
<td>$0</td>
</tr>
<tr>
<td>Other: Existing Reserves</td>
<td>$5,000</td>
</tr>
<tr>
<td><strong>Land/Building Purchase Subtotal</strong></td>
<td>$5,826,748</td>
</tr>
</tbody>
</table>

| **Total Replacement Costs** | $14,158,486 |
## Development Budget

### Development Reserves
- Operating Reserve: $- 
- Transformation Reserve: $- 
- Rental Subsidy Reserve: $- 
- Real Estate Tax Reserve 1 yr: $24,105 
- Insurance Reserve 1 yr: $52,597 
- Social Service Reserve: $500,000 
- Other: R4R Initial Deposit: $82,000

**Reserves Subtotal**: $658,702

### Developer's Fee
- $1,500,000

**Total Development Costs Subtotal**: $846,349

### Syndication Fees
- Organizational: $2,500 
- Bridge Loan Interest During Construction: $200,155 
- Bridge Loan Interest After Construction: $32,258 
- Bridge Loan Fees & Expenses: $137,037 
- Legal Fees: $45,000 
- Accounting Fees: $11,000 
- Compliance Monitoring: $65,600 
- Other: Investor due diligence: $41,500

**Syndication Fees Subtotal**: $535,050

### Total Development Costs
- **Total Development Costs**: $16,852,238

### Cost Analysis

<table>
<thead>
<tr>
<th>Proposed Unit Mix</th>
<th>Blended per Unit Cost Allowable</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 Bdrm 1 units @</td>
<td>$206,974 per unit $206,974</td>
</tr>
<tr>
<td>1 Bdrm 66 units @</td>
<td>$237,265 per unit $15,659,490</td>
</tr>
<tr>
<td>2 Bdrm 13 units @</td>
<td>$288,519 per unit $3,750,747</td>
</tr>
<tr>
<td>3 Bdrm 2 units @</td>
<td>$373,251 per unit $746,502</td>
</tr>
<tr>
<td>4 Bdrm 0 units @</td>
<td>$409,711 per unit $-</td>
</tr>
<tr>
<td><strong>Totals</strong> 82</td>
<td>$20,363,713</td>
</tr>
</tbody>
</table>

**Cost per Unit Allowable**: $248,338 per unit

**Cost per Unit for Project**: $172,664 per unit

**Cost per Square Foot Allowable**: $225 psf

**Cost per Sq. Ft. for Project**: $132 psf

**120% of 234-Condominium**: 69.53%  

*The % needs to be 100%/below otherwise bidding is req'd*
## HOME Maximum Subsidy

**Maximum 234- Condo-Elevator**

<table>
<thead>
<tr>
<th>HOME Maximum Subsidy</th>
<th>183,954 per unit allowable</th>
</tr>
</thead>
</table>

**DHCD HOME Funding**

<table>
<thead>
<tr>
<th>DHCD HOME Funding</th>
<th>$ 24,390 per unit allowable</th>
</tr>
</thead>
</table>

### Developer’s Fee Analysis/Maximum Developer’s Fee Allowable for Project

<table>
<thead>
<tr>
<th>Developer’s Fee Analysis/Maximum Developer’s Fee Allowable for Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Replacement Cost</td>
</tr>
<tr>
<td>less acquisition costs</td>
</tr>
<tr>
<td>Basis for Developer’s Fee</td>
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<tr>
<td><strong>Total Fee Allowable</strong></td>
</tr>
<tr>
<td><strong>Developer Fee for Project</strong></td>
</tr>
<tr>
<td>less reinvested dev. Fee</td>
</tr>
<tr>
<td><strong>Net Developer’s Fee for Project</strong></td>
</tr>
</tbody>
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Waiver Required?

- **NO**

**Scope of Construction:**

<table>
<thead>
<tr>
<th>rehab Elevator in Building?</th>
</tr>
</thead>
<tbody>
<tr>
<td>yes</td>
</tr>
</tbody>
</table>

(rehab or nc) (yes or no)


<table>
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<tr>
<th>Item III (b)</th>
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| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| **Item III (b)** | | | | | | | | | | | | | | | | | | | |
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MEMORANDUM

TO: Lynn Newsome, DHCD Compliance Director
FROM: Tori Engelstad, Community Investment Group
SUBJECT: Economic Opportunity Plan

DATE: October 29, 2020

Attached please find the Economic Opportunity Plan the Parkside Neighborhood Preservation Development. If the Plan meets the DHCD’s goals, please fill out the bottom half of this memorandum. Thank you.

Project Name: Parkside Neighborhood Preservation
Project Address(s): 1237 Belmont Ave., 1239 Belmont Ave., 1241 Belmont Ave., 1243 Belmont Ave., 4104 Parkside Ave., 4106 Parkside Ave., 4201 Girard Ave., 4202 Parkside Ave., 4208 Parkside Ave., 4210 Parkside Ave., 4216 Parkside Ave., 4218 Parkside Ave., 4222 Parkside Ave., 4238 Parkside Ave., 4240 Parkside Ave., and 4244 Parkside Avenue
Owner: MF Parkside Preservation LLC
General Partner: MF Parkside Preservation Manager LLC
Developer: Mission First Housing Development Corporation
Unit Breakdown: 82 - rental units
Funding Amount: $2,000,000 - Housing Trust Funds
General Contractor: Columbus Property Management & Development, Inc.
ConSTRUCTION Cost: $6,332,323
Total Development Cost: $16,718,570

I, Lynn Newsome, have reviewed the Affirmative Action Plan and approved the plan submitted by (the contractor) for (the project) for the following goals:

MBE Goals: _16%
WBE Goals: _14%
DBE Goals: ______

Lynn T. Newsome

Date: 10/29/2020
GENERAL CONTRACTOR’S PAST CONTRACTS WITH RDA:

<table>
<thead>
<tr>
<th>Contract</th>
<th>Date</th>
<th>Projected MBE Goals</th>
<th>Achieved MBE</th>
<th>Projected WBE Goals</th>
<th>Achieved WBE</th>
<th>Projected DBE Goals</th>
<th>Achieved DBE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inglis Accessible Housing</td>
<td></td>
<td>18%</td>
<td>26%</td>
<td>7%</td>
<td>10%</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>Melville Way</td>
<td></td>
<td>18%</td>
<td>8%</td>
<td>7%</td>
<td>9%</td>
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</tr>
<tr>
<td>Melon 1 Corporation</td>
<td></td>
<td>18%</td>
<td>10%</td>
<td>7%</td>
<td>0%</td>
<td>2%</td>
<td>0%</td>
</tr>
</tbody>
</table>
I. Introduction, Definitions, Goals and Diversity Practices

The City of Philadelphia, acting through its offices of the Division of Housing and Community Development ("DHCD") and Office of Economic Opportunity ("OEO") (collectively, "City") and the Philadelphia Redevelopment Authority ("PRA") strongly encourage the use of certified Minority ("MBE"), Women ("WBE"), Disabled ("DSBE") and Disadvantaged1 ("DBEs") Business Enterprises (collectively, "M/W/DSBEs") and minority and female workers in all aspects of the development and use of a parcel(s) of land located at 4201 Girard Ave., 4104, 4106, 4202, 4208, 4210, 4216, 4218, 4222, 4238, 4240, and 4244 Parkside Ave., 1237-43 Belmont Ave. Philadelphia, PA 19104, which may include financial investment, design, construction and operations (Project). In support of this objective, City and PRA will require that the MF Parkside Preservation LLC ("Purchaser") of this parcel commit to this Economic Opportunity Plan ("EOP" or "Plan") as required by Section 17-1602 of The Philadelphia Code, as amended.

This Plan contains ranges of projected M/W/DSBE utilization and goals for the employment of minority and female workers in connection with the Project. Purchaser shall cause this Plan to be made part of and incorporated into all bids, proposals and solicitations and any resulting agreement(s) entered into between Purchaser and any participant in connection with the development and use of the parcel. By submission of this Plan, Purchaser makes a legally binding commitment to the City and PRA to abide by the provisions of this Plan which include its commitment to exercise its Best and Good Faith Efforts throughout the project and its commitment to cause its participants to use their Best and Good Faith Efforts to provide subcontracting opportunities for M/W/DSBEs in all phases of the project and to employ a diverse workforce. This Plan expressly applies to all contracts awarded in connection with the Project.

Neither Purchaser nor any participant shall discriminate on the basis of race, color, religion, sex, national origin, sexual orientation, gender identity, ancestry, age, or handicap in the award and performance of contracts pertaining to this Plan. Purchaser has summarized its current and past practices relating to Purchaser's diversity practices ("Diversity Practices Statement"). This statement, included as Attachment "A" to this Plan, identifies and describes Purchaser's processes used to develop diversity at all levels of Purchaser's organization including, but not limited to, board and managerial positions. This Diversity Practices Statement summarizes Purchaser's strategic business plans specific to its current or past practices of M/W/DSBE utilization on its government and non-government projects and procurement activities. Purchaser further agrees to identify any "Equity Ownership" held in connection with this Project which shall mean the percentage of beneficial ownership in the Purchaser's

---

1 Disadvantaged Business Enterprises ("DBEs") are those socially or economically disadvantaged minority and woman owned businesses certified under 49 C.F.R. Part 26.
organization or development team that is held by minority persons, women and disabled persons. In the event Equity Ownership is identified, Purchaser agrees to abide by the reporting requirements enumerated in Section 17-1603 (1)(g)(.3).

Purchaser hereby verifies that all information submitted to the City in response to this Plan, is true and correct and is notified that the submission of false information is subject to the penalties of 18 Pa.C.S. Section 4904 (relating to unsworn falsification to authorities) and 18 Pa.C.S. Section 4107.2 (a)(4) (relating to fraud in connection with minority business enterprises or women's business enterprises).

For the purposes of this Plan, MBE, WBE, DBE and DSBE shall refer to certified businesses so recognized by OEO. Only the work or supply effort of firms that are certified as M/W/DSBEs by an OEO approved certifying agency will be eligible to receive credit as a Best and Good Faith Effort. In order to be counted, certified firms must successfully complete and submit to the OEO an application to be included in the OEO Registry which is a list of registered M/W/DSBEs maintained by the OEO and available online at www.phila.gov/oeo/directory.

For this Plan, the term “Best and Good Faith Efforts,” the sufficiency of which shall be in the sole determination of the City, means: efforts, the scope, intensity and appropriateness of which are designed and performed to foster meaningful and representative opportunities for participation by M/W/DSBEs and an appropriately diverse workforce and to achieve the objectives herein stated. Best and Good Faith Efforts are rebuttably presumed met, when commitments are made within the M/W/DSBE Participation Ranges established for this development and a commitment is made to employ a diverse workforce as enumerated herein.

II. Goals

A. M/W/DSBE Participation Ranges

The City of Philadelphia has established a citywide goal of 35% M/W/DSBE utilization as informed by its Annual Disparity Study. This citywide goal should be used as a benchmark for the Purchaser's expression of Best and Good Faith Efforts which are efforts taken by Purchaser to provide meaningful and representative opportunities for M/W/DSBEs in the Project. For this project, in the absence of discrimination in the solicitation and selection of M/W/DSBEs, the percentage of MBE, WBE and DSBE participation that is reasonably attainable through the exercise of Best and Good Faith Efforts is stated below as participation ranges. These percentages relate to the good faith estimated cost of the entire Project. In order to maximize opportunities for as many businesses as possible, a firm that is certified in two or more categories (e.g. MBE and WBE and DSBE or WBE and DSBE) will only be credited toward one participation range as either an MBE or WBE or DSBE. The firm will not be credited toward more than one category. These ranges are based upon an analysis of factors such as the size and scope of the development and the availability of MBEs, WBEs, DSBEs and DBEs to participate in this Project:

2 A list of “OEO approved certifying agencies” can be found at www.phila.gov/oeo
3 The City of Philadelphia FY’16 Annual Disparity Study recommends an overall goal of 35% based upon an analysis of FY’16 utilization and availability.
### Workforce Goals for a Diverse Workforce

As a benchmark for the expression of “Best and Good Faith Efforts” to provide meaningful and representative opportunities for diverse workers in the Project, the following goals have been established for the employment of minority persons and females in the Project workforce of apprentices and journeymen at the following levels:

<table>
<thead>
<tr>
<th></th>
<th>MBE</th>
<th>WBE</th>
</tr>
</thead>
<tbody>
<tr>
<td>African American Journeypersons</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td>Asian Journeypersons</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Hispanic Journeypersons</td>
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<td></td>
</tr>
<tr>
<td>Female Journeypersons</td>
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</tr>
<tr>
<td>Minority Apprentices</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Female Apprentices</td>
<td>5%</td>
<td></td>
</tr>
</tbody>
</table>

### Responsiveness

#### A. Purchaser shall, and shall cause its participants to identify all M/W/DSBE commitments and agree to employ a diverse workforce on the form entitled, “M/W/DSBE Participation and Workforce Commitments.”

The commitments on this form constitute a representation that the identified M/W/DSBE is capable of providing commercially useful goods or services relevant to the commitments and that the Purchaser and its participants have entered into legally binding agreements with the listed M/W/DSBEs for the work or supply effort described and the dollar/percentage amount(s) set forth on the form. In calculating the percentage of M/W/DSBE participation, the standard mathematical rules apply in rounding off numbers. In the event of inconsistency between the dollar and percentage amounts listed on the form, the percentage will govern.

#### B. M/W/DSBE commitments are to be memorialized in a written subcontract agreement. Letters of intent, quotations, contracts, subcontracts and any other documents evidencing commitments with M/W/DSBEs, including the M/W/DSBE Participation and Workforce Commitments Form, become part of and an exhibit to this Plan.

#### C. DHCD will review the M/W/DSBE Participation and Workforce Commitments Form for the purpose of determining whether Best and Good Faith Efforts have been made. DHCD reserves the right to request further documentation and/or clarifying information at any time during the construction and development of the Project.

#### D. If Purchaser, its participants or any subsequent developer makes any changes in contracts that have been reviewed by DHCD under the Plan, or if Purchaser at the time of Closing has not yet identified contracts entered into for the development of the Project, then Purchaser, its participants or any subsequent developer shall have the obligation to inform DHCD of any

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4 These goals are informed by the City of Philadelphia’s annual disparity assessment of workforce diversity, the “Economic Opportunity Plan Employment Composition Analysis Fiscal Year 2016.”
changes to the approved Plan and shall use Best and Good Faith efforts to use M/W/DSBEs for any new contracts.
IV. Compliance and Monitoring of Best and Good Faith Efforts

A. A hard copy of this Plan, as certified below by OEO, shall be filed with the Chief Clerk of City Council within fifteen (15) days of Closing. The Plan shall be filed with:

Michael Decker, Chief Clerk of City Council
Room 402 City Hall
Philadelphia, Pennsylvania 19107

B. Purchaser and its participants agree to cooperate with DHCD in its compliance monitoring efforts, and to submit, upon the request of DHCD, documentation relative to their implementation of the Plan, including the items described below:

- Copies of signed contracts and purchase orders with M/W/DSBE subcontractors;
- Evidence of payments (cancelled checks, invoices, etc.) to subcontractors and suppliers to verify participation; and
- Telephone logs and correspondence relating to M/W/DSBE commitments.
- To the extent required by law, the Purchaser and its participants shall ensure that all its on-site contractors maintain certified payrolls which include a breakout of hours worked by minority and female apprentices and journeypersons; these documents are subject to inspection by the City.

C. Prompt Payment of M/W/DSBEs

1. The Purchaser and its participants agree and shall cause all its contractors to ensure that all M/W/DSBEs participating in the Project receive payment for their work or supply effort within five (5) business days after receipt of a proper invoice following satisfactory performance.

D. Oversight Process

1. Where the dollar value of development is in excess of Five Million Dollars ($5,000,000), the Plan shall establish a Project Oversight Committee, consisting of, as appropriate, the contractor, developer or recipient of financial assistance and representatives of the Purchaser, PRA, OEO, DCHD, City Council, and appropriate community organizations. Such Committee shall meet regularly, beginning no later than the initiation of the design phase of the project, and shall be responsible for facilitating compliance with the Plan. OEO will implement the Oversight Process, as required by Section 17-1603(b) of The Philadelphia Code. The Oversight Committee, through the Oversight Process, shall have within its purview the reconciliation of all compliance related issues or grievances. The Oversight Committee Process, as needed, will involve convening individual consultation or periodic small group meetings to include any or all of the constituent parties.
V. Remedies and Penalties for Non-Compliance

A. The Purchaser acknowledges and agrees that its compliance with the requirements of this Plan is a material inducement for the Ordinance of City Council and Purchaser’s failure to substantially comply with the Plan may result in enforcement actions and the imposition of penalties as authorized by Sections 17-1605 and 17-1606 of The Philadelphia Code. Notwithstanding the foregoing, no privity of contract exists between PRA, the City and any M/W/DSBE identified in any contract resulting from implementation of the Plan. Neither PRA nor the City intends to give or confer upon any such M/W/DSBE any legal rights or remedies in connection with subcontracted services under any law or policy or by any reason of any contract resulting from implementation of the Plan except such rights or remedies that the M/W/DSBE may seek as a private cause of action under any legally binding contract to which it may be a party.

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[Signatures and dates]

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[See Forms on following pages; these Forms, must be submitted by Purchaser]
V. Remedies and Penalties for Non-Compliance

A. The Purchaser acknowledges and agrees that its compliance with the requirements of this Plan is a material inducement for the Ordinance of City Council and Purchaser's failure to substantially comply with the Plan may result in enforcement actions and the imposition of penalties as authorized by Sections 17-1605 and 17-1606 of The Philadelphia Code. Notwithstanding the foregoing, no privity of contract exists between PRA, the City and any M/W/DSBE identified in any contract resulting from implementation of the Plan. Neither PRA nor the City intends to give or confer upon any such M/W/DSBE any legal rights or remedies in connection with subcontracted services under any law or policy or by any reason of any contract resulting from implementation of the Plan except such rights or remedies that the M/W/DSBE may seek as a private cause of action under any legally binding contract to which it may be a party.

MF Parkside Preservation LLC
PRINT NAME OF PURCHASER

[Signature]
SIGNATURE OF PURCHASER

10/28/2020
DATE

Lynn T. Newsome
LYNN NEWSOME, DHCD COMPLIANCE DIRECTOR

10/29/2020
DATE

Ola Harper, DIRECTOR, OFFICE OF ECONOMIC OPPORTUNITY

11/2/2020
DATE

[See Forms on following pages; these Forms, must be submitted by Purchaser]

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5 Pursuant to Section 17-1603 (2) of The Philadelphia Code, the representative of the City of Philadelphia’s Office of Economic Opportunity, the “certifying agency”, certifies that the contents of this Plan are in compliance with Chapter 17-1600.
SIGNATURE BLOCK

APPLICANT'S CERTIFICATION

GSPublisherVersion 0.9.100.10

J. Alfredo de la Peña
6/25/20

Adaptable

J. Alfredo de la Peña
Floor
6/25/20

J. Alfredo de la Peña

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APPLICANT'S CERTIFICATION

GSPublisherVersion 0.9.100.10

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6/25/20

J. Alfredo de la Peña

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BOARD FACTSHEET
Meeting of December 9, 2020
Rowan Judson Diamond Preservation Development
New Financing and Modification of Existing Loans to 1900 North Judson Limited Partnership and 2700 Diamond Development Corporation

TRANSACTION SUMMARY
Authorization for the Philadelphia Redevelopment Authority ("Authority") to enter into a non-recourse construction permanent loan with RJD 15 Limited Partnership ("RJD 15 LP") in an amount not to exceed Three Million Six Hundred Forty Thousand Dollars ($3,640,000) ("Authority Loan"). The Authority Loan consists of assumed Authority debt in the amount of One Million Six Hundred Forty Thousand Dollars ($1,640,000) ("Assumed Debt") from the Rowan Judson and Rowan Diamond developments (collectively, "Projects") and new financing in an amount not to exceed Two Million Dollars ($2,000,000) ("New Financing").

BACKGROUND INFORMATION

Rowan Judson
In 1999, the Authority provided loans to 1900 North Judson Limited Partnership secured by three mortgages as evidenced by the following four notes: 1) HOME loan in the amount of $320,000 ("Note 1"); 2) SHP loan in the amount of $400,000 ("Note 2"); 3) CDBG loan in the amount of $1,180,000 ("Note 3"); and CDBG loan in the original amount of $650,000, as amended and reduced following a payment to a current balance of $330,862 ("Note 4") (collectively, "Rowan Judson Notes"). The proceeds of the Rowan Judson Notes provided financing to assist in the substantial rehabilitation and new construction of 32 units of permanent rental housing for low-income residents located at 1901-1927, 1900-1906, 1912-1920 Judson Street ("Rowan Judson Properties"). Note 1 and Note 2 accrue interest at 5.67% and are payable on the fortieth (40th) anniversary of loan closing. Note 3 and Note 4, as amended, accrue no interest and are payable on the fortieth (40th) anniversary of loan closing.

Rowan Diamond
In 2000, the Authority provided a loan to 2700 Diamond Development Corporation secured by two mortgages in the aggregate amount of $1,310,668 evidenced by two notes, respectively in the amounts of $1,002,465, and $308,203 (collectively, "Rowan Diamond Notes"). The proceeds of the Rowan Diamond Notes provided financing to assist with the substantial rehabilitation of eight (8) units of permanent rental housing for low income residents located at 2721-2733 West Diamond Street ("Rowan Diamond Properties"). The Rowan Diamond Notes would be fully forgiven on the thirtieth (30th) anniversary of the initial occupancy of the Rowan Diamond Properties.
PROPOSED PROJECT

The Projects will consist of the preservation/rehabilitation of thirty-nine (39) permanent rental housing for an existing low-income resident and one manager unit developed in 1999 and 2000 in three (3) buildings. The Projects have reached their fifteen (15) year low-income housing tax credit compliance period and the developer, Project HOME, has developed a preservation plan to keep the Projects affordable. Capital improvements will include: new HVAC systems, A/C units, roofing, window and flooring replacements, and other modernizing of the units. There are thirty-nine (39) units with sixteen (16) two-bedroom units, fifteen (15) three bedrooms, and eight (8) four-bedroom units. There is also a one-bedroom employee unit. There are nine (9) visitable units, Four (4) accessible units, and two (2) sensory units. The City of Philadelphia’s ("City") Office of Homeless Services will provide rental subsidies through the Continuum of Care for all thirty-nine (39) units.

PROPOSED FINANCING

To finance the Projects, Project HOME applied and received from the Pennsylvania Housing Finance Agency ("PHFA") four (4%) percent low income housing tax credit/tax exempt bonds and PHFA Pennsylvania Housing and Rehabilitation Enhancement Funds ("PHARE"). In addition, Project HOME received a New Financing commitment from the Division of Housing and Community Development. The Authority Loan consists of Assumed Debt and New Financing. The Authority was asked to forgive approximately One Million Five Hundred Fifty-Six Thousand and Fifteen Dollars ($1,556,015) of accrued interest and approximately Five Hundred Ninety Thousand Six-Hundred Eighty-Two Dollars ($590,682) of principal on Note 1 and Note 2 on the Rowan Judson Notes and allow the self-amortizing Rowan Diamond Notes to be satisfied early. This request was made because the Rowan Judson Properties and the Rowan Diamond Properties appraised for One Million Eight Hundred Thousand Dollars ($1,800,000) and PHFA will not permit an acquisition price higher than the appraised value. In addition, the investor performed a residual value analysis based on the trending income at 2% interest, expenses at 3% interest and vacancy at 5% interest over forty years and determined that the project cannot support more than One Million Six Hundred and Forty Thousand Dollars ($1,640,000) in debt from the Authority.

BOARD ACTION

The Board is asked to consent to the following:

- Permit the transfer of the Projects to RJD 15 LP;
- Forgive the accrued interest and approximately $590,862 of principal on the Rowan Judson Notes;
- Permit forgiveness of self-amortizing Rowan Diamond Notes;
- Permit the assumption by RJD 15 LP of Assumed Debt;
- Provide a non-recourse construction/permanent loan in the amount of $3,640,000 ("Authority Loan") with RJD 15 LP consisting of New Financing and
Assumed Debt. The proceeds of the Authority Loan will be used for the preservation of thirty-nine (39) units of permanent rental housing for low-income residents located on the Rowan Judson Properties and Rowan Diamond Properties. Upon completion, the units will target households at or below fifty (50%) percent of Area Median Income;

- The term of the Authority Loan will be for forty-two (42) years at 0% 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 forty-two (42) years;
- The Authority Loan will be secured by a fourth lien position behind construction financing provided by TD Bank, N.A., PHFA PHARE Funds and PHFA PennHOMES Funds. Upon payment of the construction loan, the Authority Loan will be in a third lien position.

COMMENTS OR OTHER CONDITIONS:

The City has approved the Economic Opportunity Plan for the Rowan Judson Diamond Preservation Development. The Development Team has no outstanding tax issues. The Authority Housing Construction Department has approved the plans, specification, and construction costs. The Philadelphia Planning Commission has stated they do not need to review this Project due to the funding source.

Proposed Resolution is attached

Prepared by: Zena Holland, Senior Housing Development Officer
Reviewed by: Darci Bauer, Director Housing Finance
RESOLUTION AUTHORIZING THE AUTHORITY TO ENTER INTO A NON-RECOUPSE CONSTRUCTION PERMANENT LOAN WITH RJD 15 LIMITED PARTNERSHIP AND TO PERMIT EXISTING AUTHORITY DEBT TO BE ASSUMED AND RESTRUCTURED UNDER NEW TERMS AND CONDITIONS

WHEREAS, in 1999, the Philadelphia Redevelopment Authority ("Authority") provided financing to 1900 North Judson Limited Partnership with a current principal balance of Two Million Two Hundred Thirty Thousand Eight Hundred Sixty-Two Dollars ($2,230,862) ("Rowan Judson Loan"). The proceeds of the Rowan Judson Loan provided for the substantial rehabilitation and new construction of thirty-two (32) units of permanent rental housing for low income residents ("Rowan Judson Project") located at 1901-1927, 1900-1906, 1912-1920 Judson Street ("Rowan Judson Properties"); and

WHEREAS, the Rowan Judson Loan is evidenced by four (4) notes in the amounts of: (i) Three Hundred Twenty Thousand Dollars ($320,000), (ii) Four Hundred Thousand Dollars ($400,000), (iii) Three Hundred Thirty Thousand Eight Hundred Sixty-two Dollars ($330,862), and (iv) One Million One Hundred Eighty Thousand Dollars ($1,180,000), each payable to the Authority and secured by three mortgages on the Rowan Judson Properties; and

WHEREAS, in 2000, the Authority provided financing to 2700 Diamond Development Corporation in the amount of One Million Three Hundred Ten Thousand Six Hundred Sixty-Eight Dollars ($1,310,668) ("Rowan Diamond Loan") for the substantial rehabilitation of Eight (8) units of permanent rental housing for low income residents ("Rowan Diamond Project") located at 2721-2733 West Diamond Street ("Rowan Diamond Properties"); and

WHEREAS, the Rowan Diamond Loan is evidenced by two (2) notes in the amounts of: (i) One Million Two Thousand Four Hundred Sixty-five Dollars ($1,002,465), and (ii) Three Hundred Eight Thousand Two Hundred Three Dollars ($308,203) payable to the Authority and secured by two (2) mortgages on the Rowan Diamond Properties; and

WHEREAS, Project HOME ("PH"), the sponsor of the Rowan Judson Project and Rowan Diamond Project (collectively, "Projects"), has developed a preservation plan to combine the Projects into a single project with thirty-nine (39) rental units and one (1) manager unit ("RJD Preservation Development ") under one owner, RJD 15 Limited Partnership ("RJD 15 LP"); and

WHEREAS, RJD 15 LP will make capital improvements to the RJD Preservation Development and maintain the units as low-income housing for an additional forty (40) years; and

WHEREAS, to finance the RJD Preservation Development, PH applied and received from the Pennsylvania Housing Finance Agency ("PHFA") four (4%) percent low income housing tax credit/tax exempt bonds, PHFA Pennsylvania Housing and Rehabilitation Enhancement Funds ("PHARE") and Federal Home Loan Bank funds ("FHLB"). In addition, PH received a financing commitment from the Division of Housing and Community Development in the amount of Two Million Dollars ($2,000,000) ("New Financing"); and
WHEREAS, PH has requested the Authority consent to transfer the Projects and for RJD 15 LP to assume the Rowan Judson Loan in the amount of One Million Six Hundred Forty Thousand Dollars ($1,640,000) ("Assumed Debt") under revised terms and to forgive its accrued interest; and

WHEREAS, PH has requested the Authority to forgive the self-amortizing Rowan Diamond Loan.

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

The Board is asked to consent to the following:

- Permit the transfer of the Rowan Judson Properties and Rowan Diamond Properties to RJD 15 LP;
- Permit forgiveness of accrued interest and approximately $590,862 of principal on the Rowan Judson Notes;
- Permit forgiveness of self-amortizing Rowan Diamond Loan;
- Permit the assumption by RJD 15 LP of Assumed Debt;
- The Authority will provide a non-recourse construction/permanent loan in the amount of $3,640,000 ("Authority Loan") with RJD 15 LP consisting of New Financing and Assumed Debt. The proceeds of the Authority Loan will be used for the preservation of thirty-nine (39) units of permanent rental housing for low-income residents and one manager unit located on the Rowan Judson Properties and Rowan Diamond Properties. Upon completion, the thirty-nine units will target households at or below fifty (50%) percent of Area Median Income;
- The term of the Authority Loan will be for forty-two (42) years at 0% 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 forty-two (42) years;
- The Authority Loan will be secured by a fourth lien position behind construction financing provided by TD Bank, N.A., PHFA PHARE Funds and PHFA PennHOMES Funds. Upon payment of the construction loan, the Authority Loan will be in a third lien position.

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.
Philadelphia Redevelopment Authority

Project Fact Sheet

PROJECT NAME
Rowan Judson Diamond Preservation Development

ADDRESS
1901-1927 Judson Street, 1900-1906 Judson Street
1912-1920 Judson Street, 2721-2733 West Diamond Street (“Properties”)

OWNER
RJD 15 Limited Partnership

GENERAL PARTNER
RJD General Partner Inc

DEVELOPER
Project HOME

GENERAL CONTRACTOR
McDonald Building Company LLC

TOTAL DEVELOPMENT COST
$13,746,807

TOTAL CONSTRUCTION COST
$9,084,155

PRA FINANCING
$2,000,000 Housing Trust Funds
& $1,640,000 Assumed Debt

SCOPE OF CONSTRUCTION
Preservation/Rehabilitation

PROJECT DESCRIPTION

The Rowan Judson Diamond Development will consist of preservation/rehabilitation of 39 permanent rental housing for an existing low-income resident developed in 1999 and 2000 in three (3) buildings as part of the Rowan Judson and Rowan Diamond (collectively, “Project”). The Projects have reached their 15-year low-income housing tax credit compliance period and the developer Project HOME (“PH”) has developed a preservation plan to keep the Projects affordable. Capital improvements will include: New HVAC systems, A/C units, roofing, window and flooring replacements, and other modernizing of the units. There are thirty-nine (39) units with sixteen (16) two-bedroom units, fifteen (15) three bedrooms, and eight (8) four-bedroom units. There is also a one-bedroom employee unit. There are nine (9) visitable units, four (4) accessible units, and two (2) sensory units. The City of Philadelphia Office of Homeless Services will provide rental subsidies through the Continuum of Care for all thirty-nine (39) units.

BACKGROUND INFORMATION

Rowan Judson

In 1999, the Authority provided loans to 1900 North Judson Limited Partnership secured by three mortgages as evidenced by the following four notes: 1) HOME loan in the amount of $320,000 (“Note 1”); 2) SHP loan in the amount of $400,000 (“Note 2”); 3) CDBG loan in the amount of
$1,180,000 ("Note 3"); and CDBG loan in the original amount of $650,000, as amended and reduced following a payment to a current balance of $330,862 ("Note 4") (collectively, "Rowan Judson Notes"). The proceeds of the Rowan Judson Notes provided financing to assist in the substantial rehabilitation and new construction of 32 units of permanent rental housing for low-income residents located at 1901-1927, 1900-1906, 1912-1920 Judson Street ("Rowan Judson Properties"). Note 1 and Note 2 accrue interest at 5.67% and are payable on the fortieth (40th) anniversary of loan closing. Note 3 and Note 4, as amended, accrue no interest and are payable on the fortieth (40th) anniversary of loan closing.

The principal amount of the Rowan Judson Notes is Two Million Two Hundred Thirty Thousand Eight Hundred Sixty-Two ($2,230,862) Dollars plus accrued interest of approximately One Million Five Hundred Fifty-Six Thousand and Fifteen ($1,556,015) Dollars. The Authority was asked to forgive Five Hundred Ninety Thousand Six-Hundred Eighty-Seven ($590,862) Dollars of principal and the accrued interest. This request was made because the Rowan Judson Properties and the Rowan Diamond Properties appraised for One Million Eight Hundred Thousand ($1,800,000) Dollars and PHFA will not permit an acquisition price higher than the appraised value. In addition, the investor performed a residual value analysis based on the trending income at 2% interest, expenses at 3% interest and vacancy at 5% interest over forty years and determined that the project cannot support more than One Million Six Hundred and Forty Thousand ($1,640,000) Dollars in debt from the Authority ($1,640,000) ("Assumed Debt").

Rowan Diamond

In 2000, the Authority provided a loan to 2700 Diamond Development Corporation secured by two mortgages in the aggregate amount of $1,310,668 evidenced by two notes, respectively in the amounts of $1,002,465, and $308,203 (collectively, "Rowan Diamond Notes"). The proceeds of the Rowan Diamond Notes provided financing to assist with the substantial rehabilitation of 8 units of permanent rental housing for low income residents located at 2721-2733 West Diamond Street ("Rowan Diamond Properties"). The Rowan Diamond Notes would be fully forgiven on the thirtieth (30th) anniversary of the initial occupancy of the Rowan Diamond Properties. The Authority was asked to allow the self-amortizing Rowan Diamond Notes to be satisfied early.

DEVELOPER/BORROWER DESCRIPTION

RJD 15 Limited Partnership, a Pennsylvania Limited Partnership, (the “Borrower”) was formed for the sole purpose of developing this Project. RJD General Partner Inc will serve as the general partner. PH will serve as the developer/sponsor and will organize and advance the Project through the development process, structure the Project financing and syndication of equity proceeds. PH will also serve as property manager and service provider.

Project HOME a Pennsylvania nonprofit corporation has developed over 783 units of affordable rental units over the past 30 years using a combination of funds from the LIHTC program, CDBG, HOME, Supportive Housing Program, Affordable Housing Program, PennHOMES, NSP, and private sources. In addition, Project HOME has developed 49 homes for first-time homebuyers; preserved 152 units; manages
commercial buildings and retail space; provides case management; employment services; and coordinates street outreach. Below are the most recent projects:

- **Ruth Williams House** – 88 new construction rental units located at 2415 North Board Street- total development cost $23,820,000, PRA funding $2 million, completed 2017.

- **Gloria Casarez Residence** – 30 new construction rental units located at 1315 North 8th Street – total development cost $13,007,500, PRA funding $3.5 million, completed 2019.

- **Maguire Residence** – 42 new construction rental units located at 1920 East Orleans Street – total development cost $15,045,000, PRA funding $2 million, completed in fall 2020.

**PROJECT FINANCING**

The Authority is providing a non-recourse construction/permanent loan in an amount not to exceed $3,640,000 (“Authority Loan”) consisting of Assumed Debt and Two Million ($2,000,000) Dollars of new financing. The Authority Loan will be structured with a term of 42 years at 0% interest. During the Authority Loan period, no principal or interest will be required to be paid. The entire balance will be due and payable in 42 years. The Authority Loan will be secured by a fourth lien position on the Projects behind the construction loan financing provided by TD Bank, N.A., Pennsylvania Housing Finance Agency’s (“PHFA”) Pennsylvania Housing Affordability and Rehabilitation Enhancement Funds (“PHARE”) funding, and PHFA PennHOMES funding. Upon payment of the construction loan, the Authority Loan will be in third lien position.

**Raymond James Tax Credit Funds** has reserved/allocated 99.99% interest in the Limited Partnership for a net purchase price of $4,767,212.

**TD Bank, N.A.** will provide bridge financing in an approximate amount of $8,500,000, which will bridge the equity contributions and advance loan proceeds. At construction completion and satisfaction of conditions set by the investor, the equity will be used to repay the construction loan. This loan will be secured in a first lien position during construction.

**PHFA** will provide PHARE funds in the amount of $1,000,000. This loan will be in a second lien position behind the construction loan. Upon payment of the construction loan, this loan will be in a first lien position.

**PHFA PennHOMES** assumed debt in the amount of $160,000 will be in a third lien position behind the construction loan and PHARE funds loan. Upon payment of the construction loan, this loan will be in a second lien position.

**General Partner** will provide funding in the amount of $3,077,159.

**Project HOME** will provide a sponsor loan in the amount of $1,000,000.

**Deferred Developer Fee** in the amount of $102,436.

**APPROVALS**

- Construction Division approval of plans, specifications and cost
• The participation ranges for MBE are 18%, WBE 12% and DSBE greatest extent feasible has been approved by the Office of Economic Opportunity
• Department of Revenue’s tax clearance for all member of the Development Team
• The Philadelphia Planning Commission has stated they do not need to review this project due to the funding source

EXHIBITS

• Project Development Team
• Project HOME Board of Trustees/RJD General Partner Board of Directors
• Development Budget
• Operating Proforma
• MBE/WBE approval
• Site Plan
Rowan Judson Diamond Preservation Development
Project Development Team

OWNER
RJD 15 Limited Partnership
1415 Fairmount Avenue, Suite 241
Philadelphia, PA 19130

GENERAL PARTNER
RJD General Partner Inc,
1415 Fairmount Avenue, Suite 241
Philadelphia, PA 19130

DEVELOPER
Project HOME
1845 North 23rd Street
Philadelphia, PA 19121

CONTRACTOR
McDonald Building Company LLC
910 East Main Street, Suite 101
Norristown, PA 19401

ARCHITECT
Cicada Architecture/Planning, Inc.
1500 Locust Street, Suite 702
Philadelphia, PA 19102

ATTORNEY
Commonwealth Housing Legal Services
2 South Easton Road
Glenside, PA 19038

MANAGEMENT AGENT/
SERVICE PROVIDER
Project HOME
1845 North 23rd Street
Philadelphia, PA 19121
Board of Trustees
Project HOME

Joanne Berwind
Dorothy Binswanger
Richard Bogue
Travis Branch
John Connors
Jeff Cook
Joan Dawson-McConnon, CPA*/Treasurer
Pamela Estadt
Caitlin Ferry
Debbie Fretz/Chairperson
William Harvey, Esq.
Hank Hockeimer, Esq.
Lori Lasher
Leigh Middleton
Wes Mitchell
Megan Maguire Nicoletti
Marcell Pratt
Claire Reichlin
Estelle Richman
Dr. Loren Robinson
Sister Mary Scullion*/President
Almeda Smith
Jim Smith
Thomas Walker, Jr
Joyce Wilkerson

*All trustees are independent voting members except those marked with an asterisk

RJD General Partner Inc
Board of Directors

Sister Mary Scullion President
Executive Director, Project HOME
Joan McConnon, Treasurer
Associate Executive Director & CFO, Project HOME
Janet Stearns, Secretary
Vice President, Real Estate Development & Asset Management, Project HOME
Project: Rowan Judson Diamond Preservation
Development Budget

**Development Financing**

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>PHDC HTF</td>
<td>$2,000,000</td>
<td>14.55%</td>
</tr>
<tr>
<td>PRA - Assumed Debt</td>
<td>$1,640,000</td>
<td>11.93%</td>
</tr>
<tr>
<td>Limited Partner Equity</td>
<td>$4,767,212</td>
<td>34.68%</td>
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<tr>
<td>General Partner Equity</td>
<td>$3,077,159</td>
<td>22.38%</td>
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<tr>
<td>PennHOMES</td>
<td>$160,000</td>
<td>1.16%</td>
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<tr>
<td>Deferred Developer's Fee</td>
<td>$102,436</td>
<td>0.75%</td>
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<tr>
<td>Project HOME - Loan</td>
<td>$1,000,000</td>
<td>7.27%</td>
</tr>
<tr>
<td>PHFA CMF Loan</td>
<td>$1,000,000</td>
<td>7.27%</td>
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</table>

**Total Financing**

<table>
<thead>
<tr>
<th>Amount</th>
<th>Rate</th>
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</thead>
<tbody>
<tr>
<td>$13,746,807</td>
<td>100.00%</td>
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**Development Costs**

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<thead>
<tr>
<th>Cost</th>
<th>Amount</th>
<th>Rate</th>
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<tbody>
<tr>
<td>General Requirements</td>
<td>$470,386</td>
<td>5.19%</td>
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<tr>
<td>Building Demolition</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Selective Demolition</td>
<td>0</td>
<td>297,889</td>
</tr>
<tr>
<td>Site Work</td>
<td>0</td>
<td>589,074</td>
</tr>
<tr>
<td>Offsite Improvements</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Environ Remed(gc con)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Sub-total Site Work</td>
<td>7,006,807</td>
<td></td>
</tr>
<tr>
<td>Structures</td>
<td>433,958</td>
<td></td>
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<tr>
<td>Builders Profit</td>
<td>150,482</td>
<td></td>
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<tr>
<td>Bond Premium</td>
<td>85,559</td>
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<tr>
<td>Building Permits</td>
<td>50,000</td>
<td></td>
</tr>
<tr>
<td>Construction Contingency</td>
<td>454,208</td>
<td>5.00%</td>
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<tr>
<td>Other:</td>
<td>0</td>
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<tr>
<td>Total Construction Costs</td>
<td>$9,538,363</td>
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**Fees**

<table>
<thead>
<tr>
<th>Fee</th>
<th>Amount</th>
<th>Rate</th>
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<tbody>
<tr>
<td>Architectural Fee - Design</td>
<td>$277,175</td>
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<tr>
<td>Architectural Fee- Adminstration</td>
<td>146,175</td>
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<tr>
<td>Legal - Development</td>
<td>45,000</td>
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<tr>
<td>Civil Engineering</td>
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<td></td>
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<tr>
<td>Survey</td>
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<td>Soil/Structural Report</td>
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<tr>
<td>Environmental Audit</td>
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<tr>
<td>Environmental Remediation</td>
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<tr>
<td>Energy Audit</td>
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<tr>
<td>HERS Rater</td>
<td>25,735</td>
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<tr>
<td>Passive House Consultant</td>
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<tr>
<td>Project Capital Needs Assessment</td>
<td>36,253</td>
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<tr>
<td>Property Appraisal</td>
<td>32,000</td>
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<tr>
<td>Market Study</td>
<td>16,500</td>
<td></td>
</tr>
<tr>
<td>Cost Certification</td>
<td>12,000</td>
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</tr>
<tr>
<td>Other</td>
<td>0</td>
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<tr>
<td>Total Fees Subtotal</td>
<td>$702,038</td>
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</table>
## Project: Rowan Judson Diamond Preservation
### Development Budget

#### Misc. Development Charges
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multifamily Housing Applic Fee</td>
<td>$8,000</td>
</tr>
<tr>
<td>Agency Legal Closing Fee</td>
<td>$10,000</td>
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<tr>
<td>Tax Credit Reservation Fee</td>
<td>$30,112</td>
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<tr>
<td>Tax Credit Carryover Allocation Fee</td>
<td>$0</td>
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<tr>
<td>Tax Credit Cost Certification Fee</td>
<td>$0</td>
</tr>
<tr>
<td>Furnishings (Common Area)</td>
<td>$0</td>
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<tr>
<td>Rent-up expense</td>
<td>$0</td>
</tr>
<tr>
<td>Relocation</td>
<td>$0</td>
</tr>
<tr>
<td>Utility Tap in, Hook up, &amp; Municipal Fee</td>
<td>$0</td>
</tr>
<tr>
<td>Subsidy Layering Review Fee</td>
<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>$0</td>
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</tbody>
</table>

**Misc. Development Subtotal** $48,112

#### Construction & Financing Charges
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Loan Interest</td>
<td>$-</td>
</tr>
<tr>
<td>Construction Loan Origination Fee</td>
<td>$0</td>
</tr>
<tr>
<td>Construction Loan Credit Enhancement</td>
<td>$0</td>
</tr>
<tr>
<td>Construction Loan Application Fee</td>
<td>$0</td>
</tr>
<tr>
<td>Taxes During Construction</td>
<td>$0</td>
</tr>
<tr>
<td>Insurance During Construction</td>
<td>$28,448</td>
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<tr>
<td>Title Insurance</td>
<td>$81,491</td>
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<tr>
<td>Recording</td>
<td>$11,060</td>
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<tr>
<td>PHFA Construction Servicing Fee</td>
<td>$6,000</td>
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<tr>
<td>Other: Cost of Issuance</td>
<td>$111,000</td>
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**Construction/Financing Subtotal** $237,999

#### Permanent Financing
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Agency Loan Reservation Fee</td>
<td>$-</td>
</tr>
<tr>
<td>Agency Loan Origination Fee</td>
<td>$0</td>
</tr>
<tr>
<td>Permanent Loan Origination Fee</td>
<td>$0</td>
</tr>
<tr>
<td>Permanent Loan Credit Enhancement</td>
<td>$0</td>
</tr>
<tr>
<td>Cost Of Issuance/Underwriters Discount</td>
<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>$0</td>
</tr>
</tbody>
</table>

**Permanent Financing Subtotal** $-  

#### Land and Building Purchase
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of Land</td>
<td>$385,000</td>
</tr>
<tr>
<td>Acquisition of Existing Structures</td>
<td>$1,415,000</td>
</tr>
<tr>
<td>Acquisition Legal Fees</td>
<td>$0</td>
</tr>
<tr>
<td>Closing Costs</td>
<td>$39,025</td>
</tr>
<tr>
<td>Demolition Of Existing Structures</td>
<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>$0</td>
</tr>
</tbody>
</table>

**Land/Building Purchase Subtotal** $1,839,025

**Total Replacement Costs** $12,365,537
## Development Reserves

<table>
<thead>
<tr>
<th>Reserve</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Reserve</td>
<td>$</td>
</tr>
<tr>
<td>Transformation Reserve</td>
<td>$</td>
</tr>
<tr>
<td>Rental Subsidy Reserve</td>
<td>$</td>
</tr>
<tr>
<td>Real Estate Tax Reserve 1 yr</td>
<td>$ 12,369</td>
</tr>
<tr>
<td>Insurance Reserve 1 yr</td>
<td>$ 27,850</td>
</tr>
<tr>
<td>Social Service Reserve</td>
<td>$</td>
</tr>
<tr>
<td>Other: Replacement Reserve</td>
<td>$ 40,000</td>
</tr>
<tr>
<td><strong>Reserves Subtotal</strong></td>
<td>$ 80,219</td>
</tr>
</tbody>
</table>

## Developer's Fee

- **Developer's Fee**: $900,000
- **Developer's Fee Subtotal**: $1,056,554

## Syndication Fees

<table>
<thead>
<tr>
<th>Fee</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Limited Partner Fees</td>
<td>$ 50,000</td>
</tr>
<tr>
<td>Bridge loan interest during construction</td>
<td>$ 84,461</td>
</tr>
<tr>
<td>Bridge Loan Interest After Construction</td>
<td>$ 63,590</td>
</tr>
<tr>
<td>Bridge Loan Fees &amp; Expenses</td>
<td>$ 152,500</td>
</tr>
<tr>
<td>Legal Fees</td>
<td>$ 15,000</td>
</tr>
<tr>
<td>Accounting Fees</td>
<td>$ 2,000</td>
</tr>
<tr>
<td>Tax credit comp &amp; asset monitoring fee</td>
<td>$ 32,000</td>
</tr>
<tr>
<td>Agency energy benchmarking fee</td>
<td>$ 1,500</td>
</tr>
<tr>
<td>Compliance Monitoring</td>
<td>$</td>
</tr>
<tr>
<td>Equity investor legal fees</td>
<td>$</td>
</tr>
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</table>
- **Syndication Fees Subtotal**: $401,051

## Total Development Costs

- **Total Development Costs**: $13,746,807

## Cost Analysis

<table>
<thead>
<tr>
<th>Proposed Unit Mix</th>
<th>Cost per Unit Allowable</th>
<th>Total Cost per Unit Allowable</th>
<th>Blended per Unit Cost Allowable</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 Bdrm</td>
<td>$ 206,974 per unit</td>
<td>$ 7,865,176</td>
<td>$ -</td>
</tr>
<tr>
<td>1 Bdrm</td>
<td>$ 237,265 per unit</td>
<td>$ 8,754,205</td>
<td>$ -</td>
</tr>
<tr>
<td>2 Bdrm</td>
<td>$ 288,519 per unit</td>
<td>$ 8,652,323</td>
<td>$ 4,616,304</td>
</tr>
<tr>
<td>3 Bdrm</td>
<td>$ 373,251 per unit</td>
<td>$ 11,546,263</td>
<td>$ 5,598,765</td>
</tr>
<tr>
<td>4 Bdrm</td>
<td>$ 409,711 per unit</td>
<td>$ 15,387,584</td>
<td>$ 3,277,688</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td></td>
<td>$ 345,968 per unit</td>
<td>$ 13,492,757</td>
</tr>
</tbody>
</table>

- **Cost per Unit Allowable**: $345,968 per unit
- **Cost per Unit for Project**: $317,065 per unit

## Cost per Square Foot Allowable

- **Cost per Square Foot Allowable**: $225 per sq. ft
- **Cost per Sq. Ft. for Project**: $237 per sq. ft

- **120% of 234-Condominium**: 91.65%
  - The % needs to be 100%/below otherwise bidding is req'd

- **Waiver Required?**: NO
### Project: Rowan Judson Diamond Preservation
#### Development Budget

<table>
<thead>
<tr>
<th>HOME Maximum Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Maximum 234- Condo-Elevator</strong></td>
</tr>
<tr>
<td><strong>DHCD HOME Funding</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Developer’s Fee Analysis/Maximum Developer’s Fee Allowable for Project</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Replacement Cost</strong></td>
</tr>
<tr>
<td>less acquisition costs</td>
</tr>
<tr>
<td><strong>Basis for Developer's Fee</strong></td>
</tr>
<tr>
<td><strong>Total Fee Allowable</strong></td>
</tr>
<tr>
<td><strong>Developer Fee for Project</strong></td>
</tr>
<tr>
<td>less reinvested dev. Fee</td>
</tr>
<tr>
<td><strong>Net Developer’s Fee for Project</strong></td>
</tr>
</tbody>
</table>

Scope of Construction: rehab Elevator in Building? no (rehab or nc) (yes or no)

---

Waiver Required? NO
## Item III (c)

### Rent Roll (2021)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<tbody>
<tr>
<td>4</td>
<td>$6,965</td>
<td>$7,104</td>
<td>$7,077</td>
<td>$6,641</td>
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<tr>
<td>5</td>
<td>$7,497</td>
<td>$7,687</td>
<td>$7,057</td>
<td>$6,641</td>
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<tr>
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<td>$6,641</td>
<td>$7,057</td>
<td>$7,057</td>
<td>$6,641</td>
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### Operating Expenses

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Administrative Expenditure</td>
<td>$60,513</td>
</tr>
<tr>
<td>Operating &amp; Maintenance</td>
<td>$67,838</td>
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<tr>
<td>Property Taxes &amp; Insurance</td>
<td>$3,081</td>
</tr>
<tr>
<td>Management Fee</td>
<td>$2,984</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>$168,535</td>
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</tbody>
</table>

### Net Operating Income

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Net Operating Income</td>
<td>$98,992</td>
</tr>
<tr>
<td>Less: Operating Expenses</td>
<td>$(68,535)</td>
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<tr>
<td>Total Operating Expenses</td>
<td>$30,457</td>
</tr>
<tr>
<td>Less: Property Taxes &amp; Insurance</td>
<td>$(3,081)</td>
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<tr>
<td>Management Fee</td>
<td>$(2,984)</td>
</tr>
<tr>
<td>Cash Flow after Debt Service</td>
<td>$23,963</td>
</tr>
</tbody>
</table>

### Trending Assumptions

- Please include utility allowance schedule for approval at tenant level.
- Net rental stability please refer to excel spreadsheet to reflect per unit stability.
MEMORANDUM

TO: Lynn Newcomer, DHCD Compliance Director

FROM: Zena Holland, Community Investment Group

SUBJECT: Economic Opportunity Plan/Solicitation & Commitment/Section 3 Forms

Rowan Judson Diamond Preservation Development

DATE: February 24, 2020

Attached please find the Economic Opportunity Plan/Solicitation & Commitment/Section 3 Forms for the Rowan Judson Diamond Preservation Development. If the Plan meets the DHCD’s goals, please fill out the bottom half of this memorandum. Thank you.

Project Name: Rowan Judson Diamond Preservation Development
Project Address: 1901-1927 Judson St, 1905-1906 Judson St, 1912-1920 Judson St, and 2721-2723 W. Diamond Street

Owner: RJD 15 Limited Partnership
General Partner: RJD General Partner Inc.
Developer: Project HOME

Unit Breakdown: 39 - rental units

PHA Funding Amount: $2,000,000 - Housing Trust Funds + Assumed Debt

General Contractor: McDonald Building Company LLC

Construction Cost: $9,025,977

Total Development Cost: $13,105,000 - Estimate

I, Lynn Newcomer, have reviewed the Affirmative Action Plan and approved the plan submitted by (the contractor) for (the project) for the following goals:

MBE Goals: 13%
WBE Goals: 10%
DBE Goals: Greatest extent feasible

Lynn Newcomer

[Signature]

[Date]
Item III (c)

City of Philadelphia
Economic Opportunity Plan

and 7723-39 Diamond Street

1. Introduction, Definitions, Goals and Diversity Practices

The City of Philadelphia, acting through its offices of the Division of Housing and Community Development ("DHCD") and Office of Economic Opportunity ("CEO") (collectively, "City") and the Philadelphia Redevelopment Authority ("PRA") strongly encourage the use of certified Minority ("MBE"), Woman ("WBE"), Disabled ("DBE") and Disadvantaged ("DBE") Business Enterprises (collectively, "MWDDBEs") and minority and female workers in all aspects of the development and use of a parcel(s) of land located at 1990-95, 1992-97 & 1994-97 Judson Street and 7723-39 Diamond Street, which may include financial investment, design, construction and operation of the Project. In support of this objective, City and PRA will require that the purchaser of this parcel, JID 15 Limited Partnership ("Purchaser"), commit to this Economic Opportunity Plan ("EOP" or "Plan") as required by Section 17-1002 of The Philadelphia Code, as amended.

This Plan contains ranges of projected MWDDBE utilization and goals for the employment of minority and female workers in connection with the Project. Purchaser shall cause the Plan to be made part of and incorporated into all bids, proposals and solicitations and any resulting agreement(s) entered into between Purchaser and any participant in connection with the development and use of the parcel. By submission of this Plan, Purchaser makes a legally binding commitment to the City and PRA to abide by the provisions of the Plan which include its commitment to exercise its Best and Good Faith Efforts throughout the project and its commitment to cause its participants to use their Best and Good Faith Efforts to provide subcontracting opportunities for MWDDBEs in all phases of the project and to employ a diverse workforce. This Plan expressly applies to all contracts awarded in connection with the Project.

Neither Purchaser nor any participant shall discriminate on the basis of race, color, religion, sex, national origin, sexual orientation, gender identity, ancestry, age, or handicap in the award and performance of contracts pertaining to this Plan. Purchaser has summarized its current and past practices relating to Purchaser's diversity practices ("Diversity Practices Statement"). This statement, included as Attachment "A" to this Plan, identifies and describes Purchaser's current use of MWDDBE utilization in its government and non-government projects and procurement activities. Purchaser further agrees to identify any "Equity Ownership" held in connection with the Project which shall mean the percentage of beneficial ownership in the Purchaser's organization or development team that is held by minority persons, women and disabled persons. In the event Equity Ownership is identified, Purchaser agrees to abide by the reporting requirements summarized in Section 17-1003 (1)(g)(3).

*Disadvantaged Business Enterprises ("DBEs") are those socially or economically disadvantaged minority and women owned businesses certified under 49 C.F.R. Part 23.
Purchaser hereby verifies that all information submitted to the City in response to this Plan, is true and correct and is notified that the submission of false information is subject to the penalties of 18 Pa.C.S. Section 4107.4 (relating to unsworn falsification to authorities) and 18 Pa.C.S. Section 4107.6 (relating to fraud in connection with minority business enterprises or women's business enterprises).

For the purposes of this Plan, MBE, WBE, DBE and DSBE shall refer to certified businesses so recognized by OEO. Only the work or supply effort of firms that are certified as MWDBE by an OEO approved certifying agency will be eligible to receive credit as a Best and Good Faith Effort. In order to qualify, certified firms must successfully complete and submit to the OEO an application to be included in the OEO Registry which is a list of registered MWDBE maintained by the OEO and available online at www.phila.gov/caadirectory.

For this Plan, the term "Best and Good Faith Efforts," the significance of which shall be in the sole determination of the City, means efforts, the scope, intensity and appropriateness of which are designed and performed to foster meaningful and representative opportunities for participation by MWDBEs and an appropriately diverse workforce and to achieve the objectives herein stated. Best and Good Faith Efforts are reliably presumed met, when commitments are made within the MWDBE Participation Ranges established for this development and a commitment is made to employ a diverse workforce as enumerated herein.

II. Goals

A. MWDBE Participation Ranges

The City of Philadelphia has established a citywide goal of 35% MWDBE utilization as informed by its Annual Disparity Study. The citywide goal should be used as a benchmark for the Purchaser’s expression of Best and Good Faith Efforts which are efforts taken by Purchaser to provide meaningful and representative opportunities for MWDBEs in the Project. For this project, in the absence of discrimination in the solicitation and selection of MWDBEs, the percentage of MBE, WBE and DBE participation that is reasonably achievable through the exercise of Best and Good Faith Efforts is stated below as participation ranges. These percentages relate to the good faith estimated cost of the entire Project. In order to maximize opportunities for as many businesses as possible, a firm that is certified in two or more categories (e.g., MBE and WBE or DBE or WBE and DSBE) will only be credited toward one participation range as either an MBE or WBE or DBE. The firm will not be credited toward more than one category. These ranges are based upon an analysis of factors such as the size and scope of the development and the availability of MBEs, WBEs, DSBEs and DBEs to participate in the Project.

<table>
<thead>
<tr>
<th>MBE</th>
<th>WBE</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>12%</td>
</tr>
</tbody>
</table>

* List of "OEO approved certifying agencies" can be found at www.phila.gov/caa
* The City of Philadelphia FY-16 Annual Disparity study recommends an overall goal of 30% based upon an analysis of FY-16 utilization and availability.
B. Workforce Goals for a Diverse Workforce

As a benchmark for the expression of "Best and Good Faith Efforts" to provide meaningful and representative opportunities for diverse workers in the Project, the following goals have been established for the employment of minority persons and females in the Project workforce of apprentices and journeymen at the following levels:

- African American Journeymen - 22% of all journey hours worked across all trades
- Asian Journeymen - 3% of all journey hours worked across all trades
- Hispanic Journeymen - 15% of all journey hours worked across all trades
- Female Journeymen - 6% of all journey hours worked across all trades
- Minority Apprentices - 60% of all hours worked by all apprentices
- Female Apprentices - 5% of all hours worked by all apprentices

III. Responsibilities

A. Purchaser shall, and shall cause its participants to identify all MWDBE commitments and agree to employ a diverse workforce on the form entitled, "MWDBE Participation and Workforce Commitments." The commitments on this form constitute a representation that the identified MWDBE is capable of providing commercially useful goods or services relevant to the commitments and that the Purchaser and its participants have entered into legally binding agreements with the listed MWDBE for the work or supply of labor described and the dollar/percentage amount(s) set forth on the form. In calculating the percentage of MWDBE participation, the standard mathematical rules apply in rounding off numbers. In the event of inconsistency between the dollar and percentage amounts listed on the form, the percentage will govern.

B. MWDBE commitments are to be memorialized in a written subcontract agreement. Letters of Intent, quotations, contracts, subcontracts and any other documents evidencing commitments with MWDBE, including the MWDBE Participation and Workforce Commitment Form, become part of and are exhibits to this Plan.

C. DHCD will review the MWDBE Participation and Workforce Commitment Form for the purpose of determining whether Best and Good Faith Efforts have been made. DHCD reserves the right to request further documentation and/or clarifying information at any time during the construction and development of the Project.

D. If Purchaser, its participants or any subsequent developer makes any changes in contracts that have been reviewed by DHCD under the Plan, or if Purchaser at the time of closing has not yet identified commitments entered into for the development of the Project, then Purchaser, its participants or any subsequent developer shall have the obligation to inform DHCD of any changes to the approved Plan and shall use Best and Good Faith efforts to use MWDBE for any new contracts.

*These goals are informed by the City of Philadelphia's annual disparity assessment of workforce diversity, the "Economic Opportunity Plan Employment Composition Analysis Fiscal Year 2016."
IV. Compliance and Monitoring of Best and Good Faith Efforts

A. A hard copy of the Plan, as certified below by OEO, shall be filed with the Chief Clerk of City Council within fifteen (15) days of Closing. The Plan shall be filed with:

Michael Daskur, Chief Clerk of City Council
Room 402 City Hall
Philadelphia, Pennsylvania 19107

B. Purchaser and its participants agree to cooperate with DHCD in its compliance monitoring efforts, and to submit, upon the request of DHCD, documentation relative to their implementation of the Plan, including the items described below:

- Copies of signed contracts and purchase orders with MW/DSBE subcontractors;
- Evidence of payments (cancelled checks, invoices, etc.) to subcontractors and suppliers to verify participation;
- Telephone logs and correspondence relating to MW/DSBE commitments.
- To the extent required by law, the Purchaser and its participants shall ensure that all its on-site contractors maintain certified payrolls which include a breakdown of hours worked by minority and female apprentices and journeypersons; these documents are subject to inspection by the City.

C. Prompt Payment of MW/DSBEs

1. The Purchaser and its participants agree and shall cause all its contractors to ensure that all MW/DSBEs participating in the Project receive payment for their work or supply effort within five (5) business days after receipt of a proper invoice following satisfactory performance.

D. Oversight Process

1. Where the dollar value of development is in excess of Five Million Dollars ($5,000,000), the Plan shall establish a Project Oversight Committee, consisting of, as appropriate, the contractor, developer or recipient of financial assistance and representatives of the Purchaser, PPA, OEO, DHCD, City Council, and appropriate community organizations. Such Committee shall meet regularly, beginning no later than the initiation of the design phase of the project, and shall be responsible for facilitating compliance with the Plan. OEO will implement the Oversight Process, as required by Section 17-1001(b) of The Philadelphia Code. The Oversight Committee, through the Oversight Process, shall have within its purview the recitation of all compliance related issues or grievances. The Oversight Committee Process, as needed, will involve convening individual consultation or periodic small group meetings to include any or all of the constituent parties.
V. Remedies and Penalties for Non-Compliance

A. The Purchaser acknowledges and agrees that its compliance with the requirements of this Plan is a material inducement for the Ordinance of City Council and Purchaser's failure to substantially comply with the Plan may result in enforcement actions and the imposition of penalties as authorized by Sections 17-1603 and 17-1606 of The Philadelphia Code. Notwithstanding the foregoing, no privity of contract exists between PRA, the City and any MMBBE identified in any contract resulting from implementation of the Plan. Neither PRA nor the City intends to give or confer upon any such MMBBE any legal rights or remedies in connection with subcontracted services under any law or policy or by any reason of any contract resulting from implementation of the Plan except such rights or remedies that the MMBBE may seek as a private cause of action under any legally binding contract to which it may be a party.

RJD 15 LIMITED PARTNERSHIP
PRINT NAME OF PURCHASER

LINDA NELSON
SIGNATURE OF PURCHASER

LYNN NEWSOME, DHCD COMPLIANCE DIRECTOR

IOLA HARPER, DIRECTOR, OFFICE OF ECONOMIC OPPORTUNITY

[See Forms on following pages; these Forms, must be submitted by Purchaser]

* Pursuant to Section 17-1606 (2) of The Philadelphia Code, the representative of the City of Philadelphia's Office of Economic Opportunity, the "certifying agency", certifies that the contracts or the Plan are in compliance with Chapter 17-1600.
## GENERAL CONTRACTOR’S PAST CONTRACTS WITH RDA:
### MCDONALD BUILDING

<table>
<thead>
<tr>
<th>Contract</th>
<th>Date</th>
<th>Projected MBE Goals</th>
<th>Achieved MBE</th>
<th>Projected WBE Goals</th>
<th>Achieved WBE</th>
<th>Projected DBE Goals</th>
<th>Achieved DBE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maguire Residence</td>
<td>9/23/2020</td>
<td>20%</td>
<td>14%</td>
<td>10%</td>
<td>11%</td>
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<td>New Market West</td>
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<td>JBJ Soul</td>
<td>6/18/2014</td>
<td>18%</td>
<td>16%</td>
<td>7%</td>
<td>19%</td>
<td>2%</td>
<td>0%</td>
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</table>
SITE INFORMATION
ZONED: RM-1
ALL SITE UTILITIES EXISTING
LOT AREA: 9,207 S.F.

PROPERTY LINE 105'-8"
PROPERTY LINE 108'-8"
PROPERTY LINE 85'-0"

PL 10'-0"
PL 3'-0"

UP
UP
UP
UP
UP
UP
UP
UP
UP

PLAY AREA
4" STEP
BENCH
TRASH AREA
GATE
FENCE
BENCH
BENCH
PATIO
CONDENSERS
GAS METERS
7" STEP
DN
DN
DN
DN

WEST DIAMOND STREET
NORTH MARSTON STREET
28TH STREET

SITE PLAN
1" = 20' - 0"

Project HOME
Rowan Judson and Rowan Diamond
1900 North Judson Street & 1901 North Judson Street
2721-2733 Diamond Street

1520 LOCUST STREET, STE 702 . PHILA . PA 19102
ARCHITECTURE/PLANNING, INC.
www.cicadaarchitecture.com

McHUGH ENGINEERING ASSOCIATES
136 Poplar Street, Ambler PA 19002
215-641-1158  www.mchugheng.com

Diamond Street Site
3/32" = 1'-0"

TS
09/01/17
A0.3