APPROVAL OF BOARD MINUTES

Meeting of December 09, 2020

I. EXECUTIVE DIRECTOR’S REPORT

II. ADMINISTRATIVE

(a) Appointment of the Board of Directors of RT HeadHouse Development Corporation

(b) Cooperation Agreement

The City of Philadelphia, Acting Through its Water Department

III. DEVELOPMENT

(a) Brewerytown Urban Renewal Area

Westrum BT2, L.P.
1408-24 N. 31st Street, 1415-37 N. 31st Street and 1421-27 N. 32nd Street (including 3129-45 W. Master Street)

Certificate of Completion

(b) University City Urban Renewal Area, Unit No. 3

Parcel Nos. 13A and 13C (SW corner of 38th and Market Streets)

14th Amendment to Redevelopment Agreement with University City Science Center
AGENDA
Board Meeting of January 13, 2021
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IV.  HOUSING FINANCE (19)

Walnut Park Plaza LLC
6232-6250 Walnut Street
Non-Recourse Construction/Permanent Loan
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, December 09, 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; Rob Dubow, Treasurer; and Duane Bumb, Secretary.

The following member of the Board of Directors not present: Maria Duque-Buckley, 2nd Vice Chair and Assistant Secretary.

The following assigned staff were present: Gregory Heller, Ryan D. Harmon, Esquire, Darci Bauer, Zena Holland and Nia Turner.

Also in attendance: Peilin Chen, City Finance; Diane Davis, John McCarty, LC (name provided on sign-in sheet), Allison Weiss, Jihad Ali, Daniel Seery and Joseph Berger.
ANNOUNCEMENTS

Ms. Fadullon informed the public that the Authority Board of Directors meeting schedule for 2021 will be posted on the website after today's meeting and will also be advertised.

MINUTES

Ms. Fadullon called for a motion to approve the minutes of the Board meeting of November 04, 2020.

Upon motion made and duly seconded, the minutes of November 04, 2020 were approved.

EXECUTIVE DIRECTOR'S REPORT

None.

ADMINISTATIVE

Mr. Harmon presented "Item II(a) – Amendment to Minutes of August 12, 2020 - Habitat for Humanity Philadelphia, Inc. - Replacement of Item III(b) Fact Sheet".

Additional Comments and Discussion

Mr. Harmon stated that the number of buildings was incorrect in the previously approved Fact Sheet and that the correct project description is as follows: 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 and that five (5) of the 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. Mr. Harmon further stated that this amendment is being requested so that there is not a discrepancy in the project descriptions when the project is completed and a certificate of completion is sought by the developer.
Board Action

Ms. Fadullon called for a motion to amend the Minutes of August 12, 2020 to replace the Item III(b) Fact Sheet with the revised Fact Sheet presented to the Board. Upon motion made and duly seconded, the Minutes of August 12, 2020 were amended to include the revised Fact Sheet.

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

Mr. Harmon presented "Item II(b) – Approval of First Amendment to Grant Agreement with the City of Philadelphia, Acting Through its Department of Public Property and its Finance Department" 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. 2020-77

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.

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

Mr. Harmon presented "Item II(c) – Approval of Second Amendment to Grant Agreement with the City of Philadelphia, Acting Through its Department of Parks & Recreation and its Finance Department" 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. 2020-78

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.

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

Ms. Fadullon stated that "Item II(d) – Cooperation Agreement with the City of Philadelphia, Acting Through its Water Department" has been tabled at this time. Ms. Fadullon stated that this agreement has not been fully negotiated and is not ready for presentation to the Board.

Mr. Harmon presented "Item II(e) - Approval of Grant Agreement with the Philadelphia Housing Authority" 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. 2020-79

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.

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

HOUSING FINANCE

Ms. Holland presented "Item III(a) – Sale, Assumption, Modification, Subordination of Existing Loans and New Financing for the Carl Mackley Houses Limited Partnership Project" in substance consistent with the attached Fact Sheet hereto.
Additional Comments and Discussion

Ms. Bauer informed the Board members that settlement is scheduled for December; however, it may end up being January, 2021. Therefore, the assumed debt amount will continue to accrue interest through that time and the developer may owe the Authority additional money.

Ms. Fadullon recognized Mr. Ali and invited him to speak. Mr. Ali raised a concern with regards to the Economic Opportunity Plan ("EOP") that was attached to the Board package. Mr. Ali stated that he is familiar with the contractor. Mr. Ali stated on paper it often shows that compliance goals are being achieved, but that is not always actually the case. Mr. Ali asked whether or not the public is able to review the EOP progress reports and 1029-AA reports as they are submitted. Ms. Fadullon asked if someone can speak about minority participation compliance and the referenced reports.

Ms. Bauer stated that EOP compliance is monitored by the Department of Housing and Community Development ("DHCD") through quarterly reports. DHCD's compliance staff sends letters to the developer on a monthly basis to make sure reports are being received. Ms. Bauer pointed out that Domus has achieved its compliance goals for the last couple of projects.

Ms. Fadullon stated that the 1029AA reports are prepared by DHCD and submitted to City Council. Ms. Fadullon further stated that DHCD's 1029AA report reflects the compliance numbers for the projects they are monitoring.

Mr. Ali stated that he believes the issue is that the City's Office of Economic Opportunity ("OEO") does not receive the quarterly reports until the end of the year and, by that time, it is often too late to take action or file a complaint. Mr. Ali further stated that having access to these reports is important and thanked the Board.

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. 2020-80

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 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.

Voting for the foregoing resolution: Ms. Fadullon, Mr. Cuorato, Mr. Bumb and Mr. Dubow.
Ms. Holland presented "Item III(b) – New Financing and Modification of Existing Loan for Parkside Neighborhood Preservation" in substance consistent with the attached Fact Sheet hereto.

Additional Comments and Discussion

Ms. Fadullon recognized Mr. Ali and invited him to speak. Mr. Ali raised a concern with regards to the MBE/WBE participation goals. Mr. Ali stated that on page 43 the goals were not listed and asked where those numbers came from. Ms. Fadullon asked Ms. Holland what the participation goals are for the Item. Ms. Holland replied MBE – 16% and WBE – 14%.

Mr. Ali asked if the Economic Opportunity Plan ("EOP") compliance goals were approved by the Office of Economic Opportunity ("OEO"). Ms. Holland responded yes.

Mr. Ali stated that he is very familiar with the Parkside section of the City. Mr. Ali stated that there are several Registered Community Organizations within that community including East Parkside Residents Association overseen by Ms. Calla Cousar.

Next, Mr. Ali asked for the identity of the owners and principles of the developer. Ms. Fadullon asked if Ms. Bauer or Ms. Holland could answer these questions.

Ms. Bauer stated that she wanted to respond to Mr. Ali’s question with regards to EOP participation goals. Ms. Bauer stated that Ms. Holland was reading from the Board Fact Sheet. Ms. Bauer stated the order of the package is the Fact Sheet, Resolution and the Housing Review Fact Sheet. Ms. Bauer stated that the Housing Review Fact Sheet identifies the EOP participation goals as MBE – 16% and WBE – 14%. Finally, Ms. Bauer stated that the signoff was approved by OEO. Mr. Harmon stated that the signed EOP is actually included at page 60 of the Board package.

Ms. Bauer stated that the sponsor is Mission First Housing Development Corporation. Mr. Ali responded that he is familiar with them and would follow up with Mark Deitcher. Ms. Fadullon replied that he is the appropriate person. Mr. Heller pointed out the Board members of the project sponsor are listed.

Mr. Ali thanked everyone for answering his questions and stated that he would reach out to the appropriate parties.

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. 2020-81

RESOLUTION AUTHORIZING THE AUTHORITY TO ENTER INTO A NON-RECOUSE 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.

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

Ms. Holland presented "Item III(c) – New Financing and Modification of Existing Loans to 1900 North Judson Limited Partnership and 2700 Diamond Development Corporation" in substance consistent with the attached Fact Sheet hereto.

Additional Comments and Discussion

Ms. Fadullon recognized Mr. Ali and invited him to speak. Mr. Ali stated that he is familiar with this contractor. Mr. Ali further stated that this contractor was a principle of a major construction company over the last twenty (20) years in Philadelphia. Mr. Ali asked if anyone on the Board knew JJ DeLuca. Ms. Fadullon replied yes.

Mr. Ali stated that he believes the contractor is meeting goals by using suppliers along with other miscellaneous aspects of a job but is not actually employing MBE/WBE subcontractors on projects. Mr. Ali requested that the owner/developer ensure that that the contractors are actually using MBE/WBE subcontractors rather than just material suppliers.

Next, Mr. Ali stated that the project sponsor's signature is illegible on the Economic Opportunity Plan ("EOP") and requested the identity of the owners and principals of the developer.
Ms. Bauer replied the contact person with the project sponsor is either Joan Dawson or Matt McCarter. Mr. Harmon stated it appears that Matt McCarter signed off on the EOP.

Mr. Heller stated that on page 83 of the Board package, the Board of Directors of the developer and its general partner are listed.

Ms. Fadullon asked Mr. Ali if he had any other questions. Mr. Ali replied no further questions. Mr. Ali stated that Project HOME does an outstanding job. Mr. Ali stated that we need this housing and to get the EOP benefits into the hands of African Americans and other minorities that are struggling to survive.

Ms. Fadullon thanked staff for their hard work and dedication. Ms. Fadullon stated that these three (3) projects have preserved over three hundred (300) units of housing and this is extremely important for the City.

**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. 2020-82**

**RESOLUTION AUTHORIZING THE AUTHORITY TO ENTER INTO A NON-RECIOURSE CONSTRUCTION PERMENANT 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.

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

**OLD BUSINESS**

Ms. Fadullon acknowledged Mr. McCarty and invited him to speak. Mr. McCarty stated that he did not call in to November's meeting. Mr. McCarty raised concerns with regards to 2451-2453 Frankford Avenue project. Mr. McCarty stated previously that there was no prior notice posted at the subject property; however, the community was told that notice was posted at the end of 2019.

Mr. McCarty informed the members of the Board that he reviewed all the Authority's meeting minutes, agenda and memorandums from 2017 to present. Mr. McCarty stated that in reviewing all the various documents, the first mention of posting was in May, 2020 which is inconsistent with what the community was previously told dating back to June, 2020. At the June meeting there was an addendum item; however, there was no physical posting and no community involvement.

Mr. McCarty stated that he and fellow community members have sent emails that have gone unanswered and that they haven't had sufficient opportunity to speak with staff or address the Board. Mr. McCarty stated that this project was approved at the May meeting. Furthermore, Mr. McCarty stated that only when the addendum was posted was the community aware of what
was going on. Mr. McCarty further stated that the community is against this project and had no voice.

Mr. McCarty stated that the addendum was pulled from the June meeting and the community never heard back and feel they are being stonewalled. Finally, McCarty indicated that he sent emails to staff and to the councilman as well.

Ms. Fadullon responded that Mr. Rodriguez was unable to attend today's meeting; however, Mr. Harmon is taking notes and will get in touch with you about your concerns.

Mr. Harmon asked if Mr. McCarty could provide his email address and that Mr. Harmon would provide Mr. McCarty with his contact information. Mr. Harmon stated that he will be in touch with Mr. McCarty as soon as possible.

Ms. Fadullon acknowledged Ms. Weiss and invited her to speak. Ms. Weiss stated that she has been waiting for a copy of a photo that showed the posting at 28 Reger Street. Ms. Fadullon stated the Board will note this as well and will forward this information to Mr. Rodriguez.

Ms. Fadullon recognized Mr. Ali and invited him to speak. Mr. Ali raised a concern with regards to the project at 2451-2453 Frankford Avenue. Mr. Ali advised Ms. Fadullon that he had raised concerns regarding this developer at previous Board meetings. Mr. Ali stated that his concern involves the inclusion of African American developers in the construction field. Mr. Ali stated that at the Authority's May meeting the developer made a commitment to perform community outreach and that this has not taken place. Mr. Ali asked for help from the Board members, staff and Mr. Rodriguez to intervene and reach out to the developer to comply with his promise.

Mr. Ali asked about Mr. Anthony Fullard's initiative with regards to assisting struggling African American developers and a status update as to increasing minority involvement. Ms. Fadullon replied that Mr. David Thomas at PHDC is spearheading this effort and informed Mr. Ali to reach out directly to Mr. Thomas.

Ms. Fadullon recognized Mr. Seery and invited him to speak. Mr. Seery stated that he wants to speak with regards to the 2451-2453 Frankford Avenue. Mr. Seery asked about the posting process and why it was not done when this project was initially approved.

Mr. Harmon responded and provided his email address. Mr. Harmon stated that he will follow-up with Mr. Rodriguez and that both of them will respond. Mr. Harmon further stated that Mr. Seery and Mr. McCarty would receive responses within a few days.

Ms. Fadullon stated that each of the speakers concerns and issues have been noted and staff will reach out as soon as possible.
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 4:58 P.M.

______________________________
SECRETARY TO THE BOARD
[PUBLIC ATTENDANCE LIST AND TRANSCRIPT OF QUESTIONS AND RESPONSES THERETO, IF ANY, ARE ATTACHED ON FOLLOWING PAGE]
<table>
<thead>
<tr>
<th>Attended</th>
<th>User Name (Original Name)</th>
<th>First Name</th>
<th>Last Name</th>
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<tr>
<td>Yes</td>
<td>Diane Davis</td>
<td>Diane</td>
<td>Davis</td>
<td><a href="mailto:girlsrdav@verizon.net">girlsrdav@verizon.net</a></td>
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<td><a href="mailto:John.McCarty@ibx.com">John.McCarty@ibx.com</a></td>
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<td><a href="mailto:awfromhh4@gmail.com">awfromhh4@gmail.com</a></td>
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<tr>
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<tr>
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<tr>
<td>Yes</td>
<td>Joseph Berger</td>
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<td>Berger</td>
<td><a href="mailto:jbergerre@GMAIL.COM">jbergerre@GMAIL.COM</a></td>
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<td>Question</td>
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<tr>
<td>1</td>
<td>I have a question and comment for an item not on the agenda; regarding Frankford Avenue Property, 2451-53 address</td>
<td>John McCarty</td>
<td><a href="mailto:John.McCarty@ibx.com">John.McCarty@ibx.com</a></td>
<td></td>
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<td>2</td>
<td>After repeated attempts, no one has still contacted myself or anyone from our community regarding 2451-53 Frankford (NO. 2020-31). We have been trying to attend as many meetings as possible but keep getting stone walled or lied to. We were told we would get contacted, then got a fake email and then lied about the rules</td>
<td>Daniel Seery</td>
<td><a href="mailto:danseery51@gmail.com">danseery51@gmail.com</a></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>I did want to add that the developer has not responded to any emails from the community that I am aware of as well. We have attempted outreach with no reciprocation or communication</td>
<td>John McCarty</td>
<td><a href="mailto:John.McCarty@ibx.com">John.McCarty@ibx.com</a></td>
<td></td>
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</tbody>
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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
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
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
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
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
BOARD FACTSHEET
Meeting of December 9, 2020
Parkside Neighborhood Preservation
New Financing and Modification of Existing Loan

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
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
ENTITY: RT HeadHouse Development Corporation

Nature of Transaction: Authorization to appoint the following five (5) individuals to serve on the board of directors of RT HeadHouse Development Corporation for a term of one (1) year beginning February 11, 2021, or until the appointment is terminated by the Philadelphia Redevelopment Authority (the "Authority") Board:

- James Cuorato
- Gregory Heller
- Darren Williams
- Karanja Slaughter
- James Brown

PROJECT INFORMATION: 12th and Market HeadHouse Condominium (Reading Terminal HeadHouse)

Address: 1113-31 Market Street, 1113-A-31 Market Street and 1112-40 Filbert Street

COMMENTS OR OTHER CONDITIONS:

HeadHouse Retail Associates, L.P. ("HeadHouse Retail"), a Pennsylvania limited partnership created by the Authority, is the owner of Units #2 and #3 in the 12th and Market HeadHouse Condominium. RT HeadHouse Development Corporation, of which the Authority is the sole shareholder, is the general partner of HeadHouse Retail and is responsible for the overall management and control of HeadHouse Retail.

Proposed Resolution is attached.
RESOLUTION NO.

RESOLUTION APPOINTING DIRECTORS TO RT HEADHOUSE DEVELOPMENT CORPORATION

BE IT RESOLVED by the Philadelphia Redevelopment Authority, that the following individuals are appointed to serve as directors of RT HeadHouse Development Corporation for a term of one (1) year beginning February 11, 2021 or until such time as the Authority shall terminate any such appointment:

James Cuorato
Gregory Heller
Darren Williams
Karanja Slaughter
James Brown

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. Discus 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 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 REDEVELOPER/APPLICANT: Westrum BT2, L.P.

NATURE OF REQUEST: The Board is asked to consider a Resolution authorizing the issuance of a Certificate of Completion for 1408-24 N. 31st Street, 1415-37 N. 31st Street and 1421-27 N. 32nd Street (including 3129-45 W. Master Street) (also known as 1410 N. 31st Street (Unit 1) (OPA Account: 881822814), 1430 N. 31st Street (Unit 2) (OPA Account: 881822816), 3131 Master Street (Unit 3) (OPA Account: 881822818), and 1415-37 N. 31st Street (OPA Account: 881070360)) (collectively, the “Properties”).

BACKGROUND: By Resolution No. 17,436, adopted on February 10, 2004, the Board authorized the selection of Westrum BT2, L.P. ("Redeveloper"), as redeveloper of the properties located at 1408-24 N. 31st Street, 1415-37 N. 31st Street, 1421-27 N. 32nd Street (incl. 3129-45 W. Master Street) and 1238-42 N. 31st Street, Philadelphia, Pennsylvania. On May 6, 2005, Redeveloper and the Philadelphia Redevelopment Authority ("Authority") entered into a Redevelopment Agreement (the "Original Redevelopment Agreement"). Settlement occurred under (and as defined by) the Original Redevelopment Agreement and title to the aforementioned properties was conveyed to Redeveloper by Indenture dated July 29, 2005 (the "Vesting Deed"). Because of market constraints at the time, the Redeveloper could not secure and financing to commence construction. In 2012, the Authority entered into a Cancellation Agreement with respect to the property located at 1238-42 N. 31st Street, Philadelphia, Pennsylvania (the "1238-42 Property") and permitted the Redeveloper to include the 1238-42 Property in another project.

Pursuant to Resolution 2016-117, adopted on October 20, 2016, the Authority and Redeveloper entered into a Ratification and First Amendment to Redevelopment Agreement dated October 27, 2016 (the "First Amendment"), which, among other things, (i) provided for the submission of revised Preliminary Plans (as defined in the Original Redevelopment Agreement), (ii) extended the date for commencement and completion of construction as provided in Paragraph 3.7 of the Original Redevelopment Agreement, and (iii) revised the requirements for obtaining a certificate of completion as provided in Paragraph 3.16 of the Original Redevelopment Agreement. The project consisted of four (4) buildings, ranging between four (4) and five (5) stories, with a total of Two Hundred Fifty-One (251) rental units and 5,900 square feet of ground floor commercial space. Total development costs were estimated at Forty-Nine Million Dollars ($49,000,000).
Pursuant to Resolution 2017-29, adopted on April 12, 2017, the Authority and Redeveloper entered into a Second Amendment to Redevelopment Agreement dated May 8, 2017 (the "Second Amendment"), which, among other things, removed the prevailing wage obligation set forth in Paragraph 2.3 of the Original Redevelopment Agreement, as previously amended, incorporated various social impact obligations and/or goals relative to the Project (as defined in the Original Redevelopment Agreement, as previously amended), and required Redeveloper to designate and reserve five percent (5%) of the total units at the Properties for workforce housing.

Pursuant to Resolution 2017-81, adopted on November 8, 2017, the Authority and Redeveloper entered into a Third Amendment to Redevelopment Agreement dated November 13, 2017 (the "Third Amendment"), which, among other things, authorized Redeveloper to record a Declaration of Condominium (herein, the "Declaration of Condominium") against part of the Properties, namely 1408-24 N. 31st Street and 1421-27 N. 32nd Street (incl. 3129-45 W. Master Street), which created with respect to the such parcels a condominium to be known as "The Hub Condominium" (the "Condominium").

The Original Redevelopment Agreement, as amended by the First Amendment, Second Amendment and Third Amendment, shall be referred to herein as the "Redevelopment Agreement".

DEVELOPMENT BACKGROUND AND REQUEST:

The Properties were ultimately developed as provided for in the Redevelopment Agreement. Redeveloper has received its Certificates of Occupancy for the Properties from City of Philadelphia's Department of Licenses & Inspections.

Redeveloper has also satisfied its "Percent for Art" obligation under the Redevelopment Agreement.

With respect to the social impact obligations and/or goals included in the Second Amendment, Authority staff has worked with Redeveloper throughout construction and reviewed the actions taken by Redeveloper and Authority staff believes that best efforts were made by Redeveloper to comply with the social impact obligations and/or goals, with the exception of the Economic Opportunity Plan ("EOP") goals as discussed in further detail below. Certain goals relating to public use and benefit of common public areas have also been frustrated due to the ongoing COVID-19 pandemic. Also, as discussed below, the designation of workforce housing units shall be a continuing obligation that survives issuance of the Certificate of Completion.

As stated above, pursuant to the Second Amendment, based on the various social impact obligations to which Redeveloper agreed and Redeveloper's agreement to reserve five percent (5%) of the total units at the Properties for workforce housing, the prevailing wage obligation for this project was removed.
Despite the fact that Redeveloper satisfied the above obligations as a condition precedent to receiving a Certificate of Completion, Redeveloper has failed to meet its Economic Opportunity Plan ("EOP") goals and the Authority believes the Redeveloper failed to take make a best faith effort to achieve the EOP goals of 20-25% MBE and 10-15% WBE as the goals achieved were 0% MBE and 0% WBE. As construction is now complete, however, there is no opportunity to correct the situation and make efforts to meet the EOP goals.

Authority staff is requesting that the Board consider authorizing the issuance of a Certificate of Completion conditioned on a payment for noncompliance to be paid by Redeveloper in the amount of One Hundred Fifty Thousand Dollars ($150,000). A portion of this noncompliance payment will be paid by Redeveloper forfeiting its deposit in the amount of Seventy-Four Thousand Four Hundred Dollars ($74,400).

A Declaration of Restrictive Covenants, Conditions and Restrictions shall also be recorded against the Properties (effective for ten (10) years following the date of issuance of the last Certificate of Occupancy obtained for the Properties (the "Compliance Period"), and the rent charged (excluding utilities and other standard costs that are passed through to other tenants outside of base rent) for each of the Workforce Housing restricted unit shall not exceed thirty percent (30%) of the United States Department of Housing and Urban Development’s ("HUD") income limits for households making at or below one hundred percent (100%) of Area Median Income ("AMI") for Philadelphia-Camden-Wilmington, PA, NJ, DE, MD MSA.

Proposed Resolution is attached.

Prepared by: Ryan Harmon
Reviewed by: Angel Rodriguez, Deputy Executive Director of Real Estate
RESOLUTION NO.

RESOLUTION AUTHORIZING A CERTIFICATE OF COMPLETION FOR THE PROPERTIES LOCATED AT 1408-24 N. 31ST STREET, 1415-37 N. 31ST STREET AND 1421-27 N. 32ND STREET (INCL. 3129-45 W. MASTER STREET), NORTH PHILADELPHIA REDEVELOPMENT AREA, BREWERYTOWN URBAN RENEWAL AREA

WHEREAS, by Resolution No. 17,436, adopted on February 10, 2004, the Philadelphia Redevelopment Authority ("Authority") Board authorized the selection of Westrum BT2, L.P. ("Redeveloper"), as redeveloper of the properties located at 1408-24 N. 31st Street, 1415-37 N. 31st Street, 1421-27 N. 32nd Street (incl. 3129-45 W. Master Street) and 1238-42 N. 31st Street, Philadelphia, Pennsylvania.

WHEREAS, on May 6, 2005, Redeveloper and the Authority entered into a Redevelopment Agreement (the "Original Redevelopment Agreement").

WHEREAS, settlement occurred under (and as defined by) the Original Redevelopment Agreement and title to the aforementioned properties was conveyed to Redeveloper by Indenture dated July 29, 2005 (the "Vesting Deed").

WHEREAS, because of market constraints at the time, Redeveloper could not secure and financing to commence construction and, in 2012, the Authority entered into a Cancellation Agreement with respect to the property located at 1238-42 N. 31st Street, Philadelphia, Pennsylvania (the "1238-42 Property") and permitted the Redeveloper to include the 1238-42 Property in another project.

WHEREAS, the remaining properties subject to the Original Redevelopment Agreement are 1408-24 N. 31st Street, 1415-37 N. 31st Street and 1421-27 N. 32nd Street (including 3129-45 W. Master Street) (also known as 1410 N. 31st Street (Unit 1) (OPA Account: 881822814), 1430 N. 31st Street (Unit 2)(OPA Account: 881822816), 3131 Master Street (Unit 3) (OPA Account: 881822818), and 1415-37 N. 31st Street (OPA Account: 881070360)) (collectively, the "Properties").

WHEREAS, pursuant to Resolution 2016-117, adopted on October 20, 2016, the Authority and Redeveloper entered into a Ratification and First Amendment to Redevelopment Agreement dated October 27, 2016 (the "First Amendment"), which, among other things, (i) provided for the submission of revised Preliminary Plans (as defined in the Original Redevelopment Agreement), (ii) extended the date for commencement and completion of construction as provided in Paragraph 3.7 of the Original Redevelopment Agreement, and (iii) revised the requirements for obtaining a certificate of completion as provided in Paragraph 3.16 of the Original Redevelopment Agreement.

WHEREAS, the project consisted of four (4) buildings, ranging between four (4) and five (5) stories, with a total of Two Hundred Fifty-One (251) rental units and 5,900 square feet of ground floor commercial space and the total development costs were estimated at Forty-Nine Million Dollars ($49,000,000).
WHEREAS, pursuant to Resolution 2017-29, adopted on April 12, 2017, the Authority and Redeveloper entered into a Second Amendment to Redevelopment Agreement dated May 8, 2017 (the "Second Amendment"), which, among other things, removed the prevailing wage obligation set forth in Paragraph 2.3 of the Original Redevelopment Agreement, as previously amended, incorporated various social impact obligations and/or goals relative to the Project (as defined in the Original Redevelopment Agreement, as previously amended), and required Redeveloper to designate and reserve five percent (5%) of the total units at the Properties for workforce housing.

WHEREAS, pursuant to Resolution 2017-81, adopted on November 8, 2017, the Authority and Redeveloper entered into a Third Amendment to Redevelopment Agreement dated November 13, 2017 (the "Third Amendment"), which, among other things, authorized Redeveloper to record a Declaration of Condominium (herein, the "Declaration of Condominium") against part of the Properties, namely 1408-24 N. 31st Street and 1421-27 N. 32nd Street (incl. 3129-45 W. Master Street), which created with respect to the such parcels a condominium to be known as "The Hub Condominium" (the "Condominium").

WHEREAS, the Original Redevelopment Agreement, as amended by the First Amendment, Second Amendment and Third Amendment, shall be referred to herein as the "Redevelopment Agreement".

WHEREAS, the Properties have been developed in accordance with the Redevelopment Area Plan for the North Philadelphia Redevelopment Area and the Urban Renewal Plan for the Brewerytown Urban Renewal Area; however, Developer has failed to meet its Economic Opportunity Plan ("EOP") goals and Authority staff further believes the Developer failed to take make a best faith effort to achieve the EOP goals.

NOW THEREFORE, BE IT RESOLVED, by the Philadelphia Redevelopment Authority, that the Deputy Director of Real Estate is hereby authorized to issue a Certificate of Completion certifying the completion of development at 1408-24 N. 31st Street, 1415-37 N. 31st Street and 1421-27 N. 32nd Street (including 3129-45 W. Master Street), subject to the following conditions:

(1) Payment for noncompliance to be paid by Redeveloper in the amount of One Hundred Fifty Thousand Dollars ($150,000). A portion of this noncompliance payment will be paid by Redeveloper forfeiting its deposit in the amount of Seventy-Four Thousand Four Hundred Dollars ($74,400).

(2) The recording of a Declaration of Restrictive Covenants, Conditions and Restrictions against the Properties (effective for ten (10) years following the date of issuance of the last Certificate of Occupancy obtained for the Properties (the "Compliance Period")), and the rent charged (excluding utilities and other standard costs that are passed through to other tenants outside of base rent) for each of the Workforce Housing restricted unit shall not exceed thirty percent (30%) of the United States Department of Housing and Urban Development's ("HUD") income limits for households making at or below one hundred percent (100%) of Area Median Income ("AMI") for Philadelphia-Camden-Wilmington, PA, NJ, DE, MD MSA.
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 DEVELOPER/APPLICANT: University City Science Center

Nature of Transaction: Authorizing the Fourteenth Amendment to the Redevelopment Agreement with University City Science Center ("UCSC") extending the completion of construction date for two undeveloped parcels (Parcel Nos. 13A and 13C) from January 1, 2023 to January 1, 2026. USCS shall pay an administrative fee in the amount of One Hundred Thousand Dollars ($100,000) upon full execution of the proposed Fourteenth Amendment.

Mailing Address: 3711 Market Street, 8th Floor, Philadelphia, PA 19104

PROPERTY INFORMATION: Parcel Nos. 13A and 13C

Description: Approx. 74,920 sq. ft., lot
Zoning: CMX4
Use: Commercial
Mixed-Use

COMMENTS OR OTHER CONDITIONS:

The Philadelphia Redevelopment Authority f/k/a Redevelopment Authority of the City of Philadelphia (herein, the "Authority") entered into a Redevelopment Agreement with UCSC in 1965 for approximately twenty (20) parcels in the University City Urban Renewal Area, Unit No. 3. Parcel Nos. 13A and 13C are the last two (2) undeveloped parcels. UCSC will provide the Authority with site plans, proof of financing and an EOP Plan upon finalizing their development proposal for the parcels.

Apart from the payment of the administrative fee in the amount of One Hundred Thousand Dollars ($100,000), UCSC has also agreed to the following conditions, which shall be incorporated into the proposed Fourteenth Amendment:

1. If the project has a residential component as part of the development of the remaining parcels, UCSC will commit to not less than ten percent (10%) of the development's residential units as having a maximum monthly rent calculated as follows: multiplying 0.3 by HUD's Income Limits for 50% of the Area Median Income ("AMI") for Philadelphia-Camden-Wilmington, PA, NJ, DE, MD MSA, using Pennsylvania Housing Finance Agency ("PHFA") Rent and Income Limit guidance identifying the appropriate rent level for different unit sizes. UCSC shall not have the option to make any payment-in-lieu into the Housing Trust Fund. UCSC may use the aforementioned commitment to on-site affordable housing to seek to participate in the City of Philadelphia's (the "City") Mixed-Income Zoning Bonus program.
If the project has a residential component as part of the development of the remaining parcels, UCSC will commit to not less than ten percent (10%) of the development's residential units as having a monthly rent set at not more than 50% of the Area Median Income ("AMI") for Philadelphia-Camden-Wilmington, PA, NJ, DE, MD MSA. UCSC shall not have the option to make any payment-in-lieu into the Housing Trust Fund. UCSC may use the aforementioned commitment to on-site affordable housing to seek to participate in the City of Philadelphia's (the "City") Mixed-Income Zoning Bonus program.

2. The development of these two parcels will remain subject to the Authority's Percent for Art Program and all other obligations of the Redevelopment Agreement, as previously amended.

3. UCSC and its development partners will develop a plan to be approved by the Authority to advertise any entry level job openings at the property in a manner consistent with the goals and objectives of the City's First Source program. UCSC shall include this plan in any lease or purchase agreement related to the development of the property, including with future tenants or property owners.

4. Postings for any jobs offered by businesses in the project and accessible to City residents will be provided to applicable Registered Community Organizations as they become available.

5. UCSC shall provide, or cause to be provided, not less than one thousand (1,000) square feet of no-rent or low-rent (i.e., operating expenses only) space that is set aside at all times for a community serving nonprofit.

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

Prepared by: Ryan Harmon
Reviewed by: Angel Rodriguez
RESOLUTION NO.

RESOLUTION APPROVING A FOURTEENTH AMENDATORY AGREEMENT WITH UNIVERSITY CITY SCIENCE CENTER RE: PARCEL NOS. 13A AND 13C, LOCATED IN THE UNIVERSITY CITY URBAN RENEWAL AREA, UNIT NO. 3

WHEREAS, the Philadelphia Redevelopment Authority (the "Authority") entered into a Redevelopment Agreement with University City Science Center ("USCS") dated November 26, 1965 for the development of certain parcels of property located within the University City Urban Renewal Area, Unit No. 3, including Parcel Nos. 13A and 13C.

WHEREAS, the parties subsequently executed First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth and Thirteenth Amendatory Agreements, and other Extension Agreements.

WHEREAS, the Redeveloper has completed construction on eighteen (18) of the original twenty (20) parcels conveyed subject to the Redevelopment Agreement.

WHEREAS, the Redeveloper has requested a further extension to complete construction on the remaining two (2) undeveloped parcels of land.

WHEREAS, the Authority has determined that it is in the best interest of the parties to further amend the Redevelopment Agreement in order to better effectuate the purpose and undertakings of the parties thereto.

NOW THEREFORE, BE IT RESOLVED, by the Philadelphia Redevelopment Authority, that the Philadelphia Redevelopment Authority is authorized to enter into a Fourteenth Amendment to the Redevelopment Agreement with University City Science Center ("UCSC") which shall provide as follows:

1. Extension of the construction completion date to January 1, 2026;

2. If the project has a residential component as part of the development of the remaining parcels, UCSC will commit to not less than ten percent (10%) of the development's residential units as having a monthly rent set at not more than 50% of the Area Median Income ("AMI") for Philadelphia-Camden-Wilmington, PA, NJ, DE, MD MSA. UCSC shall not have the option to make any payment-in-lieu into the Housing Trust Fund. UCSC may use the aforementioned commitment to on-site affordable housing to seek to participate in the City of Philadelphia's (the "City") Mixed-Income Zoning Bonus program.

3. The development of these two parcels will remain subject to the Authority's Percent for Art Program and all other obligations of the Redevelopment Agreement, as previously amended.
4. UCSC and its development partners will develop a plan to be approved by the Authority to advertise any entry level job openings at the property in a manner consistent with the goals and objectives of the City’s First Source program. UCSC shall include this plan in any lease or purchase agreement related to the development of the property, including with future tenants or property owners.

5. Postings for any jobs offered by businesses in the project and accessible to City residents will be provided to applicable Registered Community Organizations as they become available.

6. UCSC shall provide, or cause to be provided, not less than one thousand (1,000) square feet of no-rent or low-rent (i.e., operating expenses only) space that is set aside at all times for a community serving nonprofit.

7. Execution of the proposed Fourteenth Amendment is contingent on receipt of an administrative fee in the amount of One Hundred Thousand Dollars ($100,000).

**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 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.
NAME OF BORROWER: Walnut Park Plaza LLC ("Borrower")

NAME OF SPONSOR: MCAP Advisors ("MCAP")

Nature of Transaction: Authorization for the Philadelphia Redevelopment Authority ("Authority") to provide financing for emergency masonry/facade repairs to stop water infiltration at the Walnut Park Plaza Apartments ("Project") located at 6232-6250 Walnut Street (the "Property") in an amount not to exceed Four Hundred Thousand Dollars ($400,000) ("Authority Loan").

BACKGROUND/PROJECT DESCRIPTION:

In 2012, the Authority provided a portion of financing in the amount of One Million Five Hundred Thousand Dollars ($1,500,000) to the Borrower to preserve the Project ("Preservation Loan"), a nine (9) story apartment building that contains two hundred twenty-seven (227) units of affordable rental housing for very-low income seniors. Additional financing was provided by a first mortgage from Municipal Capital Appreciation Partners II. L.P. ("MCAP Mortgage"). The Preservation Loan is secured by a second lien mortgage on the Property behind the MCAP Mortgage.

The Project has been well maintained but is now in need of emergency masonry repairs to stop water infiltration. MCAP requested and was awarded Four Hundred Thousand ($400,000) of additional financing from the Division of Housing and Community Development to assist with the emergency repairs.

The Authority Loan will be structured with a term of thirty (30) years at zero percent (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 upon the thirtieth (30th) anniversary of the Authority Loan closing. The Authority Loan will be secured by a third lien position behind the Preservation Loan and MCAP Mortgage that were provided in 2012.

COMMENTS OR OTHER CONDITIONS:

The City has approved the Economic Opportunity Plan for this Project. The Development Team has no outstanding tax issues. The Authority housing construction department has approved the scope of work and costs of the construction for this Project. The Philadelphia Planning Commission has issued an environmental clearance on the Property. Due to the Historical nature of the Property, the Philadelphia Historical Commission has reviewed and approved the scope of façade repair.
BOARD ACTION REQUIRED:

1. Authorize the Authority to enter into a non-recourse construction/permanent loan agreement with the Borrower not to exceed Four Hundred Thousand Dollars ($400,000).

Proposed Resolution is attached

Prepared by:  James L. Brown, V, Housing Development Officer
Reviewed by:   Darci Bauer, Housing Finance Director
RESOLUTION NO.

RESOLUTION AUTHORIZING THE AUTHORITY TO ENTER INTO A NON-RECORESE CONSTRUCTION/PERMANENT LOAN AGREEMENT WITH WALNUT PARK PLAZA LLC

WHEREAS, in 2012, the Philadelphia Redevelopment Authority ("Authority") provided financing to Walnut Park Plaza LLC, a Delaware limited liability company ("Borrower") created by MCAP Advisors ("MCAP"), in the amount of One Million Five Hundred Thousand Dollars ($1,500,000) ("Preservation Loan"); and

WHEREAS, the proceeds of the Preservation Loan were utilized to preserve a nine (9) story apartment building that contains two hundred twenty-seven (227) units of affordable rental housing that serves seniors ("Preservation Project") located at 6232-6250 Walnut Street ("Property") in West Philadelphia; and

WHEREAS, MCAP, as part of the continual preservation of the Preservation Project, will make further improvements to the Property via emergency masonry repairs to stop water infiltration, which will be partially funded with financing from the Authority in the amount not to exceed Four Hundred Thousand Dollars ($400,000) ("Authority Loan"); and

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

WHEREAS, the Authority Loan will be in a third lien position on the Property behind mortgages executed in connection with the Preservation Project.

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

1. Authorize the Authority to enter into a non-recourse construction/permanent loan agreement with the Borrower in an amount not to exceed Four Hundred Thousand Dollars ($400,000). The term of the Authority Loan will be for thirty (30) years at zero percent (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 thirty (30) years.

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</th>
<th>Walnut Park Plaza</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADDRESS</td>
<td>6232-6250 Walnut Street</td>
</tr>
<tr>
<td>OWNER</td>
<td>Walnut Park Plaza LLC</td>
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<tr>
<td>DEVELOPER/SPONSOR</td>
<td>MCAP Advisors (“MCAP”)</td>
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<tr>
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<td>$805,522</td>
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<tr>
<td>TOTAL CONSTRUCTION COST</td>
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<td>PRA FINANCING</td>
<td>$400,000 CDBG Funding</td>
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<tr>
<td>SCOPE OF CONSTRUCTION</td>
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</table>

## BACKGROUND/PROJECT DESCRIPTION

In 2012, the Philadelphia Redevelopment Authority (“Authority “) provided a portion of financing in the amount of $1,500,000 (“Preservation Loan”) to preserve the Walnut Park Plaza development (“Preservation Project”) a nine-story apartment building that contains 227 units of affordable rental housing located at 6232-6250 Walnut Street (“Property”) in West Philadelphia. Additional financing was needed to fund the Preservation Project including a first mortgage from Municipal Capital Appreciation Partners II. L.P. (“MCAP Mortgage”) and Pennsylvania Housing Finance Agency Smart Rehab funds.

The Preservation Project has been well maintained but is now in need of emergency masonry repairs to stop water infiltration (“Project”). The masonry work is the final capital need for the building beyond regular/typical maintenance. The impact of completing this repair will ensure that this vital housing resource is available for very low- income seniors for years to come. MCAP requested and was awarded additional financing in the amount of $400,000 from the Division of Housing and Community Development.

The residents are comprised of seniors and physically disabled individuals, all of which are extremely to very low income, with most being at or below 20% of Area Median Income. Serving this very low-income population is possible with the rent subsidy provided by the Housing Assistance Payment contract with the Philadelphia Housing Authority for every unit. There is a total of 23 physically handicapped accessible units that are for mobility impaired residents and 9 accessible units for sensory-impaired residents.
**DEVELOPER/OWNER DESCRIPTION**

Walnut Park Plaza LLC is a Delaware Limited Liability Company. MCAP will serve as the developer for the Project. Since its inception in 1996, the MCAP Funds have made investments over $860 million in senior living communities, multifamily properties, affordable housing and tax credit related investments. The MCAP Funds have purchased and/or developed more than 2,500 senior living community units and 9,400 multifamily housing units nationwide. MCAP affiliates currently are serving as the general partner for five tax credit partnerships. Stone Sherick Consulting Group will serve as consultant for the Project.

**PROJECT FINANCING**

**The Authority** is providing a construction/permanent mortgage in an amount not to exceed $400,000 ("Authority Loan "). The Authority Loan will be structured with a term of 30 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 upon the 30th anniversary of the Authority Loan closing. The Authority Loan will be secured by a third lien position on the Property behind the Preservation Loan and MCAP Mortgage that was provided in 2012.

**MCAP** is providing capital contributions in the amount of $405,522

**DEVELOPMENT BUDGET**

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<tr>
<th>Construction Costs</th>
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<td>General Requirements</td>
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<td>Structures</td>
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<td>Builders Profit</td>
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<td>Builders Overhead</td>
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<td>Bond Premium</td>
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<td><strong>Total Construction Costs</strong></td>
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<table>
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<tr>
<th>Soft Costs</th>
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<tbody>
<tr>
<td>Engineer’s Fee</td>
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<tr>
<td>Title Insurance</td>
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<td>Recording</td>
<td>$1500.00</td>
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<td>Title Endorsements</td>
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<td><strong>Total Soft Costs</strong></td>
<td>$100,000.00</td>
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</tbody>
</table>

| **Total Development Costs** | $805,522.00 |
APPROVALS

- Construction Division approval of scope of work and costs of construction
- The participation ranges for MBE are 0%, WBE 2% and DBE to greatest extent feasible which has been approved by the Office of Economic Opportunity
- Environmental clearance from the Philadelphia City Planning Commission
- Historical Commission clearance from Philadelphia Historical Commission
- Department of Revenue’s tax clearance for all members of the Development Team

EXHIBITS

- Project Development Team
- Managing Members of Partnership
- Operating Proforma
- EOP
- Site Plan
# Walnut Park Plaza

## Project Development Team

<table>
<thead>
<tr>
<th>Role</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>OWNER</strong></td>
<td>Walnut Park Plaza LLC</td>
</tr>
<tr>
<td></td>
<td>437 Madison Avenue, Suite 33C</td>
</tr>
<tr>
<td></td>
<td>New York, NY 10022-7049</td>
</tr>
<tr>
<td><strong>SPONSER/DEVELOPER</strong></td>
<td>Municipal Capital Appreciation Partners II, L.P.</td>
</tr>
<tr>
<td></td>
<td>(MCAP)</td>
</tr>
<tr>
<td></td>
<td>1839 Webster Street</td>
</tr>
<tr>
<td></td>
<td>Philadelphia, PA 19146</td>
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<tr>
<td><strong>PROJECT ENGINEER</strong></td>
<td>Wiss, Janney, Elster Associates, Inc</td>
</tr>
<tr>
<td></td>
<td>601 Walnut Street, Suite 875W</td>
</tr>
<tr>
<td></td>
<td>Philadelphia, PA 19106</td>
</tr>
<tr>
<td></td>
<td><a href="http://www.wje.com">www.wje.com</a></td>
</tr>
<tr>
<td><strong>GENERAL CONTRACTOR</strong></td>
<td>Joseph Dugan Specialty Masonry Restoration and Waterproofing</td>
</tr>
<tr>
<td></td>
<td>905 Bethlehem Pike</td>
</tr>
<tr>
<td></td>
<td>Erdenheim, PA 19038</td>
</tr>
<tr>
<td><strong>CONSULTANT</strong></td>
<td>Stone Sherick Consulting Group</td>
</tr>
<tr>
<td></td>
<td>230 N. 2nd Street, Suite #3D</td>
</tr>
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<td><strong>MANAGEMENT AGENT</strong></td>
<td>Altman Management Co., Inc.</td>
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<tr>
<td></td>
<td>240 New York Drive, Suite 1</td>
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<td></td>
<td>Fort Washington, PA 19034</td>
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<td>Managing Members Walnut Park Plaza LLC</td>
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<td>Walnut Housing Associates 2003 Limited Partnership</td>
<td>C/O MCAP Advisers LLC, 436 Madison Avenue, Suite 33C, New York, NY 10022</td>
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<td>MCAP Walnut Housing LLC</td>
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<td>Municipal Capital Appreciation Partners II, L.P.</td>
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<td>Municipal Associates II, L.P.</td>
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<td>CB Municipal Advisers II, LLC</td>
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<td>Richard G. Corey, Manager</td>
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<td>Item IV</td>
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<td>Water/Sewer</td>
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<td>Property Paid Utilities</td>
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<td>Administrative Expense</td>
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<td>Operating Expenses</td>
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<td>Other Income - Service</td>
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<td>Vacancy</td>
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<td>Gross Rental Income</td>
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<td>Management Fee</td>
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<td>Management Fee</td>
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*Please include utility allowance schedule for approval*
City of Philadelphia  
Economic Opportunity Plan  

Walnut Park Plaza at 6232-50 Walnut Street

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 6232-50 Walnut Street, which may include financial investment, design, construction and operations (Project). In support of this objective, City and PRA will require that the ("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).

---

1 Disadvantaged 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 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>0%</td>
<td>2%</td>
</tr>
</tbody>
</table>

\(^1\)Please see Appendix A for a detailed explanation regarding M/WBE utilization and minority and woman workforce participation for 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.
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.

Walnut Park Plaza LLC

PRINT NAME OF PURCHASER

November 23, 2020

DATE

See attached signature rider

SIGNATURE OF PURCHASER

DATE

Lynn T. Newsome

11/30/2020

LYNN NEWSOME, DHCD COMPLIANCE DIRECTOR

DATE

IOLA HARPER, DIRECTOR, OFFICE OF ECONOMIC OPPORTUNITY

DATE

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

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DATE

COMPLIANCE DIRECTOR

11/30/2020

DATE

IOLA HARPER, DIRECTOR, OFFICE OF ECONOMIC OPPORTUNITY

11/3/2020

DATE

[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.
SIGNATURE RIDER TO
ECONOMIC OPPORTUNITY PLAN
WALNUT PARK PLAZA

WALNUT PARK PLAZA LLC,
a Delaware limited liability company

By: Walnut Housing Associates 2003 Limited Partnership,
a Delaware limited partnership, its sole member

By: MCAP Walnut Housing LLC, its general partner

By: Municipal Capital Appreciation Partners II, L.P., its managing member

By: Municipal Associates II, L.P., its general partner

By: CB Municipal Advisers II, LLC, its general partner

By: Richard G. Corey, Manager
Appendix A

This project has a very limited scope of work that only entails facade repair. As such, there is just a single masonry subcontractor that will perform the work. That subcontractor will use a WBE for scaffolding, but the cost of scaffolding is a small amount of the contract sum (2%). The masonry subcontractor will however be able to utilize a 38-50% minority and/or woman workforce.

Attached please see a letter from the project engineer detailing the process for selecting a masonry subcontractor that offered a competitive bid price and timeline, and was a M/WBE or could employ a substantial minority and/or woman workforce.