

**PHILADELPHIA REDEVELOPMENT AUTHORITY**

**1234 MARKET STREET, 16<sup>TH</sup> FLOOR  
PHILADELPHIA, PA 19107**

**BOARD MEETING  
WEDNESDAY, NOVEMBER 8, 2017**

**Open Session – 4:00 P.M.**

**A G E N D A**

**APPROVAL OF BOARD MINUTES**

- (a) Meeting of October 11, 2017

**I. EXECUTIVE DIRECTOR'S REPORT**

**II. ADMINISTRATIVE**

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)  
**Third Amendatory Agreement**

**III. DEVELOPMENT**

- (a) Mantua Urban Renewal Area  
Brandywine Associates, LLC  
3721-29 Brandywine Street  
**Selection of Redeveloper**
- (b) Model Cities Urban Renewal Area  
Poplar Enterprise Development Corporation  
1213-1217 Parrish Street  
**Certificate of Completion**

## **AGENDA**

Board Meeting of November 8, 2017

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- (c) Haddington Unit No. 2-3 Urban Renewal Area  
New Market West, LLC  
5901-13 Market Street, 5915-17 Market Street,  
5919 Market Street, 5921 Market Street and  
5923-31 Market Street  
**Amendment to Resolution No. 2017-36 Adopted  
by the Board on May 10, 2017**

### **IV. HOUSING FINANCE / NSP**

New Courtland Elder Services  
NewCourtland Apartments at Henry Avenue LP  
3232 Henry Avenue  
**Non-Recourse Construction/Permanent Loan Agreement**

### **V. REAL ESTATE**

Vacant Property Review Committee  
**Conveyance of Properties**

**PHILADELPHIA REDEVELOPMENT AUTHORITY**

**1234 MARKET STREET, 16<sup>TH</sup> FLOOR  
PHILADELPHIA, PA 19107**

**BOARD MEETING  
WEDNESDAY, NOVEMBER 8, 2017**

**Open Session – 4:00 P.M.**

**ADD ON A G E N D A**

<b>VI.</b>	<b><u>ADD ON ITEM</u></b>	<b><u>Page</u></b>
	Jefferson Square Urban Renewal Area Timothy Lederer 1346 S. 4th Street <b>Amendatory Agreement</b>	(1)

**PHILADELPHIA REDEVELOPMENT AUTHORITY**

**BOARD MEETING MINUTES**

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A meeting of the Board of Directors of the Philadelphia Redevelopment Authority was held on Wednesday, October 12, 2017, commencing at 4:02 P.M., in the offices of the Philadelphia Redevelopment Authority, being its regular meeting place, 16th floor, 1234 Market Street, Philadelphia, Pennsylvania, pursuant to proper notices.

**ROLL CALL**

The following members of the Board of Directors reported present: Anne Fadullon, Chairman; James Cuorato, Vice Chairman; Rob Dubow, Treasurer; and Duane Bumb, Secretary.

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

The following members of the Authority staff were present: Gregory Heller, Ryan D. Harmon, Esquire, David Thomas, Jessie Lawrence, Zena Holland, Mary Fogg, Darci Bauer, Jane Allen and Elizabeth Bonaccorso.

Also in attendance: Dalton Ballhuser, Temple University Student; Edward A. Welch, III, Higgins, & Welch Real Estate, Inc.; Jacqueline Dunn, Finance Department; Anthony Fullard, AJR Endeavors; and Rodney Ross, AJR Endeavors.

**ANNOUNCEMENTS**

Prior to voting by the Board, Ms. Fadullon provided the public opportunity to comment.



**MINUTES**

Ms. Fadullon called for a motion to approve the minutes of the Board meeting of September 13, 2017.

Upon motion made and duly seconded, the minutes of September 13, 2017 were approved.



## **EXECUTIVE DIRECTOR'S REPORT**

Mr. Heller acknowledged the Authority staff and thanked them for their dedicated work and commitment to the mission of the agency.

Next, Mr. Heller stated that last Friday, October 6<sup>th</sup>, was the long awaited groundbreaking for Eastern Tower. Mr. Heller also stated that tomorrow, October 12<sup>th</sup>, there will be a rededication ceremony for the Face Fragment sculpture at 3500 Market Street. The PRA's Percent for Art Program, which led to the commissioning of this piece and so many others, was the first of its kind in the country.



## **ADMINISTRATIVE**

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

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

### **RESOLUTION NO. 2017-75**

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

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

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

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

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

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

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

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

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

**EXHIBIT "A"**

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

**2nd Councilmanic District Properties**

2950-54 Gerritt Street

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



**Mr. Harmon presented "Item II (b) – Contract for Professional Services with Mercadien, P.C. to Perform Audit Services" in substance consistent with the attached Fact Sheet hereto.**

*Additional Comments and Discussion*

Ms. Fadullon asked if the contract term is for one (1) year with three (3) one-year extension options. Mr. Harmon confirmed that it is.

Mr. Cuorato asked if the FY17 audit will begin immediately. Mr. Harmon responded that the new firm will have to get acquainted with the functions of the Authority and then will begin the audit.

Mr. Dubow stated that the Authority has had the same auditor for the last several years and that it was the proper time for a change.

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

**RESOLUTION NO. 2017-76**

**RESOLUTION AUTHORIZING THE EXECUTION OF A CONTRACT FOR PROFESSIONAL SERVICES WITH MERCADIEN, P.C. TO PERFORM AUDIT SERVICES**

**WHEREAS**, the Redevelopment Authority issued a Request for Proposals seeking proposals from qualified Independent Public Accountants to perform audit services;

**WHEREAS**, the proposals were reviewed and evaluated by the Audit Selection Committee (the "Committee");

**WHEREAS**, the Committee has selected Mercadien, P.C. to perform the audit services, under certain terms and conditions.

**NOW THEREFORE BE IT RESOLVED** by the Philadelphia Redevelopment Authority that the Redevelopment Authority is authorized to enter into a Contract for Professional Services with Mercadien, P.C. to perform audit services for the fiscal year ending June 30, 2017 with three (3) additional one (1) year terms for the following compensation amounts:

Fiscal Year Ending June 30, 2017	\$175,107
Fiscal Year Ending June 30, 2018	\$180,000
Fiscal Year Ending June 30, 2019	\$185,000
Fiscal Year Ending June 30, 2020	\$190,000

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

**FURTHER 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.



## **DEVELOPMENT**

**Mr. Heller presented "Item III (a) – Selection of Redeveloper, AJR Endeavors, LLC" in substance consistent with the attached Fact Sheet hereto.**

### *Additional Comments and Discussion*

Ms. Fadullon stated for the record that a revised Fact Sheet was distributed by Mr. Harmon. Mr. Heller stated that the only modification was to the square footage number – the revised Fact Sheet reflects the total square footage of the land and improvements, whereas the original fact sheet showed the square footage of the land area, only.

Ms. Fadullon asked where staff is with the selection of an owner's representative/construction monitor. Mr. Heller responded that a Request for Proposals ("RFP") was previously issued and nine (9) responses were received. Mr. Heller stated that he anticipates the selection will come before the Board at the November meeting.

Ms. Fadullon stated that she has reviewed the construction budget for the project and noted that construction financing costs were not included in the budget form presented. Ms. Fadullon asked whether the interest was being deferred until the sale of the units. Mr. Ross replied that financing costs should have been included. Mr. Ross advised the Board that he would review and revise the construction budget to include such costs and would forward the corrected construction budget to Mr. Heller.

Mr. Cuorato requested that Board amend the resolution to be contingent on the receipt of an updated construction budget per Mr. Ross' representation. Ms. Fadullon called for a motion to amend the resolution to provide that the resolution is contingent on receipt of a revised construction budget. Upon motion made and duly seconded, the motion was approved.<sup>1</sup>

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

### **RESOLUTION NO. 2017-77**

**RESOLUTION SELECTING AJR ENDEAVORS, LLC AS REDEVELOPER OF 6216, 6217, 6218, 6221, 6222, 6223, 6224, 6225, 6226, 6228, 6230, 6232, 6236, 6238, 6248, 6250 AND 6256 OSAGE AVENUE; 6212, 6214, 6218, 6220, 6222, 6224, 6226, 6228, 6232, 6234, 6236, 6238, 6240, 6242, 6244, 6246, 6250, 6252 AND 6254 PINE STREET LOCATED IN THE OSAGE REDEVELOPMENT AREA, OSAGE URBAN RENEWAL AREA**

**BE IT RESOLVED**, by the Philadelphia Redevelopment Authority, that, subject to receipt by the Executive Director and the Board of a revised construction budget which includes construction financing costs, AJR Endeavors, LLC is hereby selected as Redeveloper of 6216, 6217, 6218, 6221, 6222, 6223, 6224, 6225, 6226, 6228, 6230, 6232, 6236, 6238, 6248, 6250 and 6256 Osage Avenue; 6212, 6214, 6218, 6220, 6222, 6224, 6226, 6228, 6232, 6234, 6236, 6238,

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<sup>1</sup> The Executive Director and the Board were presented with a revised construction budget in accordance herewith on October 16, 2017, which was approved.



6240, 6242, 6244, 6246, 6250, 6252 and 6254 Pine Street, located within the Osage Redevelopment Area, Osage Urban Renewal Area, and approval is hereby given to the Redevelopment Contract and the proposed method of disposition as most appropriate and prudent under the law and circumstances; approving a disposition price of Thirty-Six Dollars (\$36.00); determining that the Redeveloper possesses the qualifications and financial resources necessary to acquire and develop the property in accordance with the Redeveloper's approved plans; further authorizing the execution, delivery and recording of the Redevelopment Contract and a Deed for the property and the preparation of all other documentation necessary or desirable in order to carry out the foregoing, and to obtain the appropriate councilmanic action.

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

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



**Mr. Lawrence presented "Item III (b) – Certificate of Completion to Diamond Street Housing Partnership II, LP" in substance consistent with the attached Fact Sheet hereto.**

*Additional Comments and Discussion*

Ms. Fadullon asked if staff is taking the appropriate steps to prevent this issue from arising again. Mr. Heller informed the Board members that this issue should not arise again and that safeguards are in place.

Mr. Harmon stated that last month the Board approved a Memorandum of Understanding ("MOU") between the Authority and DHCD for the monitoring of employment participation goals. Staff will be forwarding projects to DHCD. Mr. Harmon stated that the Authority will receive reporting from DHCD on a quarterly basis. Mr. Harmon stated that, going forward, if these types of issues arise again they will be addressed long before completion of the project.

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

**RESOLUTION NO. 2017-78**

**NORTH PHILADELPHIA REDEVELOPMENT AREA, MODEL CITIES URBAN RENEWAL AREA, RESOLUTION APPROVING THE ISSUANCE OF A CERTIFICATE OF COMPLETION FOR 3146 DIAMOND STREET**

**WHEREAS**, the Philadelphia Redevelopment Authority entered into a Redevelopment Agreement with Diamond Street Housing Partnership II LP dated October 8, 2014, for the development of 3146 Diamond Street (the "Property");

**WHEREAS**, the Property has been developed in accordance with the Model Cities Urban Renewal Area;

**NOW THEREFORE, BE IT RESOLVED**, by the Philadelphia Redevelopment Authority, that the Executive Director is hereby authorized to issue a Certificate of Completion certifying the completion of development at 3146 Diamond Street.

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

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

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



**HOUSING FINANCE / NSP**

**Ms. Holland presented "Item IV – Non-Recourse Construction/Permanent Loan Agreement with 1315 North 8th Limited Partnership" in substance consistent with the attached Fact Sheet hereto.**

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

**RESOLUTION NO. 2017-79**

**RESOLUTION AUTHORIZING THE AUTHORITY TO ENTER INTO A NON-REOURSE CONSTRUCTION/PERMANENT LOAN AGREEMENT WITH 1315 NORTH 8TH LIMITED PARTNERSHIP IN AN AMOUNT NOT TO EXCEED \$3,500,000**

**BE IT RESOLVED**, by the Philadelphia Redevelopment Authority ("Authority"), that the Authority is authorized to enter into a non-recourse Construction/Permanent Loan Agreement with 1315 North 8th Limited Partnership ("Borrower"), under the following terms and conditions:

1. The Authority is providing a construction/permanent loan in an amount not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) (the "Authority Loan"). The proceeds of the Authority Loan will be used to assist in the new construction of thirty (30) affordable rental units located at 1315 North 8<sup>th</sup> Street (the "Property"). Upon completion, the units will target young adults ages 18-25 with income at or below 60% of Area Median Income.
2. The term of the Authority Loan will be thirty-two (32) years with interest at 0% from the date of the Authority Loan closing. During the Authority Loan term, no principal or interest will be required to be paid. The entire Authority Loan balance will be due and payable upon the 32<sup>nd</sup> anniversary of the Authority Loan closing.
3. The Authority Loan will be secured by a second lien position behind the construction loan financing provided by TD Bank, N.A. Upon construction completion and repayment of the construction loan, the Authority Loan will be secured by a first lien position.
4. Closing on the Authority Loan will be contingent upon the following:
  - i. All necessary Authority approvals from various departments.

**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.



**REAL ESTATE**

**Mr. Harmon presented "Item V – Conveyance of Properties" in substance consistent with the attached Fact Sheet hereto.**

*Additional Comments and Discussion*

Ms. Fadullon stated for the record that the VPRC Fact Sheets were revised for the following three (3) properties: 6225 Ludlow Street, 1015 N. Leithgow Street and 1116 N. 4th Street. Mr. Harmon handed out copies of the revised VPRC Fact Sheets to the Board and the public.

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

**RESOLUTION NO. 2017-80**

**VACANT PROPERTY REVIEW COMMITTEE PROGRAM - RESOLUTION AUTHORIZING ACCEPTANCE OF TITLE FROM THE CITY OF PHILADELPHIA TO VARIOUS PROPERTIES AND DISPOSITION OF SUCH PROPERTIES**

**WHEREAS**, certain properties have been acquired by the City and determined to be surplus to the needs of the City;

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

**WHEREAS**, certain of the properties identified below will be conveyed for nominal consideration and others, all as identified below, will be conveyed at fair market value as determined by the City of Philadelphia's Office of Housing and Community Development.

**NOW THEREFORE, BE IT RESOLVED** by the Philadelphia Redevelopment Authority, that authorization is hereby given to the Authority to accept title from the City of Philadelphia for properties listed below and for the preparation, execution, acknowledgment and delivery of a deed to the Grantee(s) herein listed conveying the respective properties for a consideration of \$1.00:

**Address**

3861 N. 10<sup>th</sup> Street  
127 N. 58<sup>th</sup> Street

**Grantee(s)**

Maribel Cubero  
Kenyatta S. Morris

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

<u>Address</u>	<u>Grantee(s)</u>	<u>Price</u>
1116 N. 4 <sup>th</sup> Street	Neighborhood Garden Trust c/o Gregory Duffy	\$112,700.00 (OPA Value)
1015 N. Leithgow St	" "	\$ 81,500.00 (OPA Value)
2337 N. 18 <sup>th</sup> Street	Timothy Seward	\$ 21,000.00 (Appraisal)
1845 S. 56 <sup>th</sup> Street	Beatrice Lowe	\$ 28,961.19 (LAMA)
4204 Lancaster Ave.	James Shuler Memorial Foundation c/o Percy E. Custus III	\$ 62,000.00 (Appraisal)

**FURTHER RESOLVING** that for each of the foregoing conveyances, the Philadelphia Redevelopment Authority will provide a self-amortizing loan in the amount of the purchase price for a term of 10 years at 0% interest that will be secured by a mortgage on the property. The amount of the obligation will decrease by 10% each year for the 10 year period that the buyer remains in compliance with the Authority's Land Disposition Policy.

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

<u>Address</u>	<u>Grantee(s)</u>	<u>Appraised/LAMA Value</u>
6225 Ludlow Street	Philadelphia Suburban Development Corporation c/o John Peruto	\$7,000.00 (Appraisal)
2918 N. Orianna Street	Dalila Mendez	\$7,000.00 (Appraisal)
2920 N. Orianna Street	" "	\$7,000.00 (Appraisal)
2922 N. Orianna Street	" "	\$7,000.00 (Appraisal)

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

**BE IT FURTHER RESOLVED** that authorization is hereby given to the preparation execution, acknowledgment and delivery of any other documentation deemed necessary or desirable in order to carry out the foregoing under terms and conditions acceptable to Authority counsel.

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



**OLD BUSINESS**

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



**NEW BUSINESS**

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



**ADJOURNMENT**

There being no further business to come before the Board, Ms. Fadullon declared the meeting adjourned at 4:20 P.M.

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SECRETARY TO THE BOARD



**BOARD FACTSHEET**

Meeting of October 11, 2017

Conveyance of PRA Properties to Philadelphia Land Bank

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

- The conveyance of these properties will be for the disposition, reuse, and management by the Philadelphia Land Bank.
- The PRA properties listed below were approved for conveyance to the Philadelphia Land Bank in collaboration with the 2<sup>nd</sup> Councilmanic District Offices.

**PROPERTY INFORMATION:**

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

EXHIBIT "A"

2nd Councilmanic District Properties

2950-54 Gerritt Street





## BOARD FACTSHEET

Meeting of October 11, 2017

Approval of a Contract for Professional Services with Mercadien, P.C. for Audit Services

**Request:** Approval of a Contract for Professional Services between the Authority and Mercadien, P.C. to provide audit services.

**Background:** The Audit Selection Committee (the "Committee"), at the request of the Executive Director, issued a Request for Proposals (the "RFP") from qualified Independent Public Accountants ("IPAs") to provide audit services for fiscal years ending June 30, 2017, June 30, 2018, June 30, 2019, and June 30, 2020. Requests were sent to various IPAs inviting proposals from them and the RFP was advertised on the PRA website.

The Authority received five (5) bids from the following companies: Clifton Larson Allen, Mercadien, P.C., Mitchell & Titus, LLP, Rubino & Company and Zelenkofske Axelrod, LLC.

Although Mercadien, P.C. was not the lowest bidder, Mercadien, P.C. was chosen by the Committee because of its technical expertise, understanding of the scope of work, and approach to managing the project.

**Contract Terms and Conditions:** The term of the Contract for Professional Services is one (1) year, which term may be extended at the sole discretion of the Authority for three (3) additional one (1) year terms.

**Contract Amount:**

Fiscal Year Ending June 30, 2017:	\$175,107
Fiscal Year Ending June 30, 2018:	\$180,000
Fiscal Year Ending June 30, 2019:	\$185,000
Fiscal Year Ending June 30, 2020:	\$190,000

Proposed resolution is attached.

Prepared by: Angela Chandler



## BOARD FACTSHEET

Meeting of October 11, 2017

Selection of Redeveloper – 6216, 6217, 6218, 6221, 6222, 6223, 6224, 6225, 6226, 6228, 6230, 6232, 6236, 6238, 6248, 6250 and 6256 Osage Avenue; 6212, 6214, 6218, 6220, 6222, 6224, 6226, 6228, 6232, 6234, 6236, 6238, 6240, 6242, 6244, 6246, 6250, 6252 and 6254 Pine Street

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**NAME OF DEVELOPER/APPLICANT:** AJR Endeavors, LLC

**Nature of Transaction:** Selection of Redeveloper for the full rehabilitation of thirty-six (36) single family homes including, but not limited to, new roofs, windows, HVAC UNITS, electrical, plumbing, kitchen, bathroom and façade repair. The properties are located within the Osage Urban Renewal Area.

**Legal Entity/Other Partners (if applicable):** AJR Endeavors, LLC

- James Robertson – Managing Member, 51%
- Anthony Fullard, Managing Member, 29%
- Rodney Ross, Managing Member, 20%

**Mailing Address:** 2441 South Garret Street, Philadelphia, PA 19445

**PROPERTY INFORMATION:** 6216, 6217, 6218, 6221, 6222, 6223, 6224, 6225, 6226, 6228, 6230, 6232, 6236, 6238, 6248, 6250 and 6256 Osage Avenue; 6212, 6214, 6218, 6220, 6222, 6224, 6226, 6228, 6232, 6234, 6236, 6238, 6240, 6242, 6244, 6246, 6250, 6252 and 6254 Pine Street

**Description:** 81,725 sq. ft., total unit square footage

**Zoning:** RM-1

**Use:** Residential

**Disposition Value:** \$36.00

Price was established through an open Request for Proposals ("RFP") process; asset was advertised for sale through RFP in fall of 2016 and PRA received two (2) responses. The review committee reviewed both proposals and chose AJR Endeavors, LLC as the final selection as it was felt they presented the strongest response.

## FINANCING:

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

**COMMENTS OR OTHER CONDITIONS:**

Acquisition and commencement of construction of the proposed project is estimated to start in February, 2018, with construction completion within eighteen (18) months thereafter.

The Developer is compliant with the City of Philadelphia Revenue Department and has no outstanding tax obligations, conflicts of interest, or unresolved violation of City L&I codes. Per Chapter 17-1600 of the Philadelphia Code, the City has approved the Economic Opportunity Plan with ranges at MBE – 18% and WBE – 7%.

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

Prepared by: Tracy Pinson-Reviere, Project Manager II

Reviewed by: Gregory Heller


**BOARD FACTSHEET**

Meeting of October 11, 2017

Certificate of Completion

3146 Diamond Street

**NAME OF DEVELOPER/APPLICANT:** Diamond Street Housing Partnership II LP ("Redeveloper")

**NATURE OF REQUEST:** The Board is asked to authorize a Resolution authorizing the issuance of a Certificate of Completion for 3146 Diamond Street (the "Property"), a vacant structure, located in the Strawberry Mansion neighborhood. The Authority conveyed the Property to the Redeveloper on May 5, 2015.

**BACKGROUND:** On October 8, 2014, the Authority entered into a Redevelopment Agreement (the "Agreement") with the Redeveloper for the rehab and development of the Property into two (2) affordable rental units. The development of these units was part of a larger scattered site project spread amongst twenty-three (23) units in the neighborhood. Pursuant to Resolution No. 2014-77, adopted on August 13, 2014, the Board approved an Economic Opportunity Plan (the "EOP") with goal ranges set at MBE – 18% and WBE – 7%. Upon certifying completion, the Authority discovered that the City's Compliance Unit was not notified of this project's construction commencement and the EOP was consequently not monitored. Without a monitored EOP, the Authority is unable to obtain the required signoff from the City for EOP compliance.

The Redeveloper has since forwarded supporting documentation from its general contractor, Domus, Inc., to confirm their actual performance in comparison to the best faith efforts approved in the EOP. Based on their submission, the Authority believes that the project has been completed in substantial conformity with the Agreement and there is no known default that would preclude the Authority from complying with its contractual obligation to issue a Certificate of Completion.

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

Prepared by: Jessie Lawrence, Project Manager

Reviewed by: Ryan Harmon

**BOARD FACTSHEET**

Meeting of October 11, 2017

Non-Recourse Construction/Permanent Loan Agreement

Located at 1315 North 8<sup>th</sup> Street**NAME OF SPONSOR/DEVELOPER:** Project HOME

**Nature of Transaction:** Authorization for the Authority to enter into a non-recourse construction/permanent loan agreement with 1315 North 8th Limited Partnership (the "Borrower") in an amount not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) (the "Authority Loan"). The proceeds of the Authority Loan will be used to assist in the new construction of thirty (30) affordable rental units for young adults ages 18-25.

**Legal Entity:** 1315 North 8th Limited Partnership (Borrower)**PROPERTY INFORMATION:** 1315 North 8th Street

Address: 1315 North 8th Street (the "Property")

Total Development Cost: \$12,875,000

Total Construction Cost: \$8,968,750

PRA Financing: \$3,500,000

**FINANCING:**

The Authority Loan will be structured with a term of thirty-two (32) years at 0% interest from the date of the Authority Loan closing. During the Authority Loan term, no principal or interest will be required to be paid. The entire balance of the Authority Loan will be due and payable upon the 32<sup>nd</sup> anniversary of the Authority Loan closing. The Authority Loan will be secured by a second lien position behind the construction loan financing provided by TD Bank, N.A. Upon payment of the construction loan, the Authority Loan will be in a first lien position.

**COMMENTS OR OTHER CONDITIONS:**

The City has approved the Economic Opportunity Plan. The Authority Housing Construction Department has approved the plans, specification, and construction costs for the project.

Proposed Resolution is attached

Prepared by: Zena Holland, Housing Development Officer

Reviewed by: David S. Thomas, Deputy Executive Director



## BOARD FACTSHEET

Meeting of October 11, 2017

City of Philadelphia Vacant Property Review Committee

**Nature of Transaction:** PRA will facilitate the conveyance of title from the City to identified Grantees listed below.

- All Grantees have been selected by VPRC. The VPRC serves as an advisory committee and recommends to the City Commissioner of Public Property what City surplus properties should be made available for disposition in accordance with Chapter 16-400 of the City Code.
- The conveyance of these properties to the Grantees for reuse will relieve the City of the care; maintenance and management of the properties and help arrest blight in the neighborhoods and restore the properties to productive use.
- Properties and Grantees listed below were approved by the VPRC for disposition and a Resolution authorizing the disposition by the PRA was approved by City Council.

### PROPERTY INFORMATION:

- 1) **Nominal Disposition:** The following two (2) properties will be conveyed at nominal under the Gift Property Program.

<u>Address</u>	<u>Grantee</u>
3861 N. 10 <sup>th</sup> Street	Maribel Cubero
127 N. 58 <sup>th</sup> Street	Kenyatta S. Morris

- 2) **Self-amortizing Mortgage Disposition:** The following five (5) properties will be conveyed at fair market value as determined by LAMA, with a self-amortizing mortgage for the purchase price.

<u>Address</u>	<u>Grantee</u>	<u>Price</u>
1116 N. 4 <sup>th</sup> Street	Neighborhood Garden Trust c/o Gregory Duffy	\$112,700.00 (OPA Value)
1015 N. Leithgow St	“ “	\$81,500.00 (OPA Value)
2337 N. 18 <sup>th</sup> Street	Timothy Seward	\$21,000.00 (Appraisal)
1845 S. 56 <sup>th</sup> Street	Beatrice Lowe	\$28,961.19 (LAMA)
4204 Lancaster Ave.	James Shuler Memorial Foundation c/o Percy E. Custus III	\$62,000.00 (Appraisal)

**3) Fair Market Disposition:** The following four (4) properties will be conveyed at fair market value as established by appraisals obtained by the Office of Housing and Community Development of the City of Philadelphia or by the LAMA pricing model:

<u>Address</u>	<u>Grantee</u>	<u>Appraisal/LAMA Value</u>
6225 Ludlow Street	Philadelphia Suburban Development Corporation c/o John Peruto	\$7,000.00 (Appraisal)
2918 N. Orianna Street	Dalila Mendez	\$7,000.00 (Appraisal)
2920 N. Orianna Street	“ “	\$7,000.00 (Appraisal)
2922 N. Orianna Street	“ “	\$7,000.00 (Appraisal)