

PHILADELPHIA REDEVELOPMENT AUTHORITY

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

**BOARD MEETING
WEDNESDAY, JUNE 13, 2018**

Open Session – 4:00 P.M.

A G E N D A

APPROVAL OF BOARD MINUTES

- (a) Meeting of May 9, 2018

I. EXECUTIVE DIRECTOR'S REPORT

II. ADMINISTRATIVE

- (a) **Approval of Subgrant Agreement with
PIDC Community Capital**
- (b) **Approval of Guaranty Agreement with
Reinvestment Fund, Inc.
Credit Enhancement Program**
- (c) **City of Philadelphia – Master Agreement with
FUSE Corps for the Placement of Fuse Fellows
Cooperation Agreement**
- (d) **Freire Charter School
2025-2029 Chestnut Street
Consent to Refinance Loans and Leasehold Mortgages**

III. DEVELOPMENT

**Logan Urban Renewal Area
Logan West Associates, L.P.
Land Bounded by North 7th Street, Loudon Street,
North 11th Street and Roosevelt Boulevard
Selection of Redeveloper**

AGENDA

Board Meeting of June 13, 2018

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IV. HOUSING FINANCE /NSP

Philadelphia Housing Authority

2000 N. 11th Street

Non-Recourse Construction/Permanent Loan

PHILADELPHIA REDEVELOPMENT AUTHORITY

BOARD MEETING MINUTES

A meeting of the Board of Directors of the Philadelphia Redevelopment Authority was held on Wednesday, May 9, 2018, commencing at 4:03 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; Duane Bumb, Secretary; and Maria Duque-Buckley, 2nd Vice Chair and Assistant Secretary.

The following member of the Board of Directors reported not present: Rob Dubow, Treasurer.

The following members of the Authority staff were present: Gregory Heller, Ryan D. Harmon, Esquire, Larry Padilla, Karanja Slaughter, Joe Tedesco, Mark Nekoranik, Bob LaBrum, Jessie Lawrence, Mary Fogg, Darci Bauer, Jane Allen and Elizabeth Bonaccorso.

Also in attendance: Leslie Smallwood, Mosaic Development; Noel Eisenstat, Carl Primavera, Klehr, Harrison, Harvey, Branzburg, LLP; Devin Jonathan, Citizen; Allison Weiss, SOLO/GCA RCO; Connie Winters; Historic Germantown Properties; and Jamila Davis, DHCD.

ANNOUNCEMENTS

None.



MINUTES

Ms. Fadullon called for a motion to approve the minutes of the Board meeting of April 11, 2018.

Upon motion made and duly seconded, the minutes of April 11, 2018, were approved.



EXECUTIVE DIRECTOR'S REPORT

Mr. Heller stated that he had no updates to provide to the Board at this time.



ADMINISTRATIVE

Mr. Harmon presented "Item II (a) – Termination of Ground Lease and Conveyance with Beech Interplex, Inc., 1600 Broad Associates, L.P., and 1600 Venture LLC" in substance consistent with the attached Fact Sheet hereto.

Additional Comments and Discussion

Mr. Heller advised the Board members that the Board's approval is contingent on receipt by the Authority of consent from both Beech Interplex, Inc. and 1600 Broad Street Associates, L.P. Mr. Cuorato asked if staff expected that all parties involved would consent to the transaction. Mr. Heller stated that, based on conversations with all parties, staff expected all parties to consent.

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. 2018-36

NORTH PHILADELPHIA REDEVELOPMENT AREA, MODEL CITIES URBAN RENEWAL AREA - RESOLUTION TERMINATING THE GROUND LEASE BETWEEN THE PHILADELPHIA REDEVELOPMENT AUTHORITY AND BEECH INTERPLEX, INC., WITH RESPECT TO ALL OR A PORTION OF THE PROPERTY LOCATED AT 1600-36 NORTH BROAD STREET, AND AUTHORIZING THE CONVEYANCE OF CERTAIN PORTIONS OF THE PROPERTY TO BEECH INTERPLEX, INC., 1600 BROAD ASSOCIATES, L.P. AND/OR 1600 VENTURE LLC

WHEREAS, the Philadelphia Redevelopment Authority ("Authority") entered into an Amended and Restated Redevelopment Agreement ("Redevelopment Agreement") on February 17, 2005 with Beech Interplex, Inc. ("Beech") and Tower Investments, Inc. ("Tower"), with respect to the development of the property located at 1600-36 North Broad Street (the "Property");

WHEREAS, pursuant to that certain Assignment and Assumption Agreement dated February 17, 2005 ("Assignment Agreement"), between the Authority, Beech, Tower and 1600 Broad Associates, L.P. ("1600 Associates"), the development obligations under the Redevelopment Agreement with respect to the Property were assigned to 1600 Associates;

WHEREAS, the Authority and Beech also entered into a Ground Lease Agreement (Retail Premises) dated February 17, 2005 ("Ground Lease"), wherein the Authority leased the Property to Beech;

WHEREAS, 1600 Associates ultimately completed the development of the Property and, on February 5, 2013, a Certificate of Completion ("C.O.C.") was issued by the Authority to 1600 Associates, wherein the Authority certified that the improvements as contemplated in the Redevelopment Agreement were completed;

WHEREAS, Beech has requested that the Ground Lease be terminated as to all or a portion of the Property and that certain portions of the Property be conveyed to Beech, 1600 Associates and/or 1600 Venture LLC ("1600 Venture"); and

WHEREAS, the Authority has determined that it is in the best interest of the parties to terminate the Ground Lease as to all or a portion of the Property and to convey certain portions of the Property to Beech, 1600 Associates and/or 1600 Venture.

NOW THEREFORE, BE IT RESOLVED, by the Philadelphia Redevelopment Authority, that approval is hereby given for:

1. The termination of the Ground Lease Agreement (Retail Premises) dated February 17, 2005 ("Ground Lease"), as to all or a portion of the property located at 1600-36 North Broad Street (the "Property").
2. The conveyance of certain portions of the Property to Beech Interplex, Inc. ("Beech"), 1600 Broad Associates, L.P. ("1600 Associates") and/or 1600 Venture LLC ("1600 Venture").
3. The required payment to the Authority of an administrative fee in an amount equal to or exceeding One Hundred Thousand Dollars (\$100,000).
4. Termination of the Ground Lease and conveyance of the all or a portion Property to Beech, 1600 Associates and/or 1600 Venture (as identified in Nos. 1 and 2, above) is subject to the consent and approval of all parties to the Ground Lease and Ground Sublease including, but not limited to, Beech and 1600 Associates.

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 Ms. Duque-Buckley



Mr. Harmon presented "Item II (b) – Memorandum of Understanding with the City of Philadelphia and the Local Unions (or the Philadelphia Building and Construction Trades Council on Behalf of its Affiliates and International Unions and/or Their Local Unions) Regarding the Rebuild Program" in substance consistent with the attached Fact Sheet hereto.

Additional Comments and Discussion

Mr. Heller informed the Board that the Memorandum of Understanding has already been signed by the Mayor of Philadelphia and the Business Manager of the Philadelphia Building and Construction Trades Council.

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. 2018-37

RESOLUTION AUTHORIZING A MEMORANDUM OF UNDERSTANDING BETWEEN THE PHILADELPHIA REDEVELOPMENT AUTHORITY, THE CITY OF PHILADELPHIA AND THE LOCAL UNIONS (OR THE PHILADELPHIA BUILDING AND CONSTRUCTION TRADES COUNCIL ON BEHALF OF ITS AFFILIATES AND INTERNATIONAL UNIONS AND/OR THEIR LOCAL UNIONS)

WHEREAS, the Philadelphia Redevelopment Authority (the "**PRA**"), the City of Philadelphia (the "**City**") and the Local Unions (or the Philadelphia Building and Construction Trades Council on behalf of its affiliates and International Unions and/or their Local Unions) (collectively, the "**Unions**") desire to enter into a Memorandum of Understanding ("**MOU**") wherein the PRA and the Unions will commit to entering into a Project Labor Agreement ("**PLA**") that will provide new and long-term construction employment and/or opportunities for minorities, women, Philadelphia residents and the economically disadvantaged;

WHEREAS, the Board has considered the MOU and finds that its authorization and adoption are in the best interests of the Authority.

NOW THEREFORE, BE IT RESOLVED by the Philadelphia Redevelopment Authority that the Executive Director is authorized to execute a MOU with the City and the Unions in form and substance acceptable to the Executive Director and General Counsel.

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 Ms. Duque-Buckley



Mr. Harmon presented "Item II (c) – Approval of Amendment to Previously Approved Project Financing for the Divine Lorraine, Headhouse Flats and Studebaker Building" in substance consistent with the attached Fact Sheet hereto.

Additional Comments and Discussion

Mr. Heller stated that today's action by the Board would not alter any other terms of the Loan Commitment that was approved by the Board on April 11, 2018.

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. 2018-38

(Amending Resolution No. 2018-34, adopted April 11, 2018)

RESOLUTION AUTHORIZING THE AUTHORITY TO AMEND THE TERM OF A LOAN TO DIVINE INTERVENTION HOTEL, LP, DIVINE ALCHEMY, LP, ABBOTTS RESURRECTION, LP, AND 677 NORTH BROAD ASSOCIATES, LLC

WHEREAS, pursuant to Resolution No. 2018-34, adopted April 11, 2018, the Philadelphia Redevelopment Authority ("Authority") approved a loan in an amount not to exceed Four Million Dollars (\$4,000,000) (the "**Authority Loan**") to Divine Intervention Hotel, LP ("**DIH LP**"), Divine Alchemy, LP ("**DA LP**"), Abbots Resurrection, LP ("**AR LP**"), and 677 North Broad Associates, LLC ("**677 LLC**") (collectively, the "**Borrowers**"), for the purpose of recapitalizing the properties known as (i) the Divine Lorraine and the Divine Lorraine Annex, located at 699 N. Broad Street, (ii) Head House Flats, located at 528 South 2nd Street, and (iii) the Studebaker Building, located at 667 N. Broad Street (collectively, the "**Properties**"), and to enter into all agreements and documents incident thereto;

WHEREAS, The Authority Loan will be used to refinance the existing Two Million Five Hundred Thousand Dollar (\$2,500,000) development loan (the "**Existing Loan**") that was provided to DIH LP in 2015, and will add an additional One Million Five Hundred Thousand Dollars (\$1,500,000) in funds;

WHEREAS, Borrower has requested that the Authority modify certain of the previously approved terms of the Authority Loan. Specifically, the requested modifications are as follows:

1. Reduce the approved origination fee of 1.5% of the Authority Loan amount to 1.0% of the Authority Loan amount.
2. Reduce the approved exit fee of 1.5% of the Authority Loan amount to 1.0% of the Authority Loan amount.
3. Agree to the removal of the following secured collateral - approximately 49% equity and assignment of approximately 100% of cash flows on Eric Blumenfeld's ("**Blumenfeld**") interest in the Mural Lofts Apartments – 523 N Broad Street, Unit A, Philadelphia, PA 19123.

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

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

1. Reduce the approved origination fee of 1.5% of the Authority Loan amount to 1.0% of the Authority Loan amount.
2. Reduce the approved exit fee of 1.5% of the Authority Loan amount to 1.0% of the Authority Loan amount.
3. Agree to the removal of the following secured collateral - approximately 49% equity and assignment of approximately 100% of cash flows on Eric Blumenfeld's ("**Blumenfeld**") interest in the Mural Lofts Apartments – 523 N Broad Street, Unit A, Philadelphia, PA 19123.

All other terms of the Authority Loan as previously approved by Resolution No. 2018-34, adopted April 11, 2018, shall remain unchanged.

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

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

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



Mr. LaBrum presented "Item II (d) – Approval of Design-Build/Construction Agreement with Clean Energy, Inc." 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. 2018-39

RESOLUTION AUTHORIZING THE PHILADELPHIA REDEVELOPMENT AUTHORITY TO ENTER INTO A DESIGN-BUILD/CONSTRUCTION AGREEMENT WITH CLEAN ENERGY, INC., FOR THE COMPRESSED NATURAL GAS FACILITY PROJECT AT 3033 S. 63RD STREET

WHEREAS, the Philadelphia Redevelopment Authority issued proposals seeking responses from qualified energy contractors willing and capable of performing the Compressed Natural Gas Facility Project located at 3033 S. 63rd Street (the "Property").

WHEREAS, Clean Energy, Inc. submitted its response to bids, outlining their extensive experience.

WHEREAS, Clean Energy, Inc. was the sole responsive bidder.

NOW THEREFORE, BE IT RESOLVED, by the Philadelphia Redevelopment Authority, the authorization is hereby given to the Authority's Executive Director to enter into a Design-Build/Construction Agreement with Clean Energy, Inc., for the Compressed Natural Gas Facility Project at 3033 S. 63rd Street, with a maximum compensation not to exceed Seven Hundred Fifty-Eight Thousand Two Hundred Thirty-Five and 50/100 Dollars (\$758,235.50) (total base bid plus 10% administrative and contingency build-ins).

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

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

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



DEVELOPMENT

Ms. Fadullon stated that Item III (a) is being tabled at this time. Further information is needed.



Mr. Lawrence presented "Item III (b) – Selection of Redeveloper with Haverford Apartments LP" in substance consistent with the attached Fact Sheet hereto.

Additional Comments and Discussion

Ms. Fadullon stated that today's Board approval is contingent upon the Authority receiving an approval letter from Philadelphia City Planning Commission.

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. 2018-40

RESOLUTION SELECTING HAVERFORD APARTMENTS LP AS REDEVELOPER OF 5508, 5510, 5512, AND 5514 HAVERFORD AVENUE LOCATED IN THE HADDINGTON REDEVELOPMENT AREA, HADDINGTON URBAN RENEWAL AREA UNIT NOS. 2 & 3

BE IT RESOLVED, by the Philadelphia Redevelopment Authority, that Haverford Apartments LP is hereby selected, contingent on receipt of an approval letter from the Philadelphia City Planning Commission, as Redeveloper of 5508, 5510, 5512 and 5514 Haverford Avenue located in the Haddington Redevelopment Area, Haddington Urban Renewal Area Unit Nos. 2 & 3, 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 Seventeen Thousand Dollars (\$17,000.00); determining that the Redeveloper possesses the qualifications and financial resources necessary to acquire and develop the property in accordance with the Redeveloper's approved plans; further authorizing the execution, delivery and recording of the Redevelopment Contract and a Deed for the property and the preparation of all other documentation necessary or desirable in order to carry out the foregoing, and to obtain the appropriate councilmanic action.

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

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



Mr. Lawrence presented "Item III (c) – Amendatory Agreement with 1511-1515 Brown Street LLC" in substance consistent with the attached Fact Sheet hereto.

Additional Comments and Discussion

Mr. Heller asked Mr. Lawrence to explain why an amendment to the Redevelopment Agreement was required. Mr. Lawrence replied that the property space was not as deep as the redeveloper initially thought it was. Mr. Lawrence stated instead of constructing four (4) market-rate rental units, the redeveloper was only able to construct three (3) market rate rental units. Two units are single level units and the third unit is a split-level unit.

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. 2018-41

NORTH PHILADELPHIA REDEVELOPMENT AREA, MODEL CITIES URBAN RENEWAL AREA – RESOLUTION AUTHORIZING AN AMENDMENT TO THE REDEVELOPMENT AGREEMENT WITH 1511-1515 BROWN STREET LLC

WHEREAS, pursuant to Resolution No. 2015-51, adopted on March 15, 2015, the Board authorized the Redevelopment Agreement between the Authority and 1511-1515 Brown Street LLC ("Brown Street") as redeveloper of 1513 Brown Street (the "Property") located in the North Philadelphia Redevelopment Area, Model Cities Urban Renewal Area; and

WHEREAS, Brown Street and the Authority executed a Redevelopment Agreement ("Redevelopment Agreement") dated June 5, 2015, wherein the Authority agreed to convey the Property to Brown Street; and

WHEREAS, Brown Street has completed construction of the Property but Brown Street revised the plans previously approved by the Authority without the Authority's consent; and

WHEREAS, Brown Street has requested the Authority to approve revised schematic plans; and

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

NOW THEREFORE, BE IT RESOLVED, by the Philadelphia Redevelopment Authority, that the Authority is authorized to enter into a First Amendment to the Redevelopment Agreement with 1511-1515 Brown Street LLC to approve the revised plans submitted to the Authority, contingent upon receipt of an administrative fee per Authority policy.

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

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

Board Action

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



HOUSING FINANCE / NSP

At this time, Ms. Fadullon requested that Item IV (b) be presented first.

Mr. Nekoranik presented "Item IV (b) – Non-Recourse Construction/Permanent Loan Agreement with Villas Del Caribe Limited Partnership" in substance consistent with the attached Fact Sheet hereto.

Additional Comments and Discussion

Ms. Fadullon stated for the record that Ms. Duque-Buckley was abstaining due to a potential conflict of interest.

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. 2018-42

RESOLUTION AUTHORIZING THE AUTHORITY TO ENTER INTO A NON-RECOURSE CONSTRUCTION/PERMANENT LOAN AGREEMENT WITH VILLAS DEL CARIBE LIMITED PARTNERSHIP IN AN AMOUNT NOT TO EXCEED \$950,000

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 Villas Del Caribe Limited Partnership ("Partnership") under terms and conditions as follows:

1. The Authority will provide a construction/permanent loan in the amount of Nine Hundred Fifty Thousand Dollars (\$950,000) (the "Authority Loan") with Partnership for a thirty (30) year term 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 will be due and payable upon the thirtieth (30th) anniversary of the Authority Loan closing. The proceeds of the Authority Loan will be used to preserve the Villas Del Caribe development as an eighty-one (81) unit low income housing tax credit project in the St. Hugh Neighborhood of Philadelphia located at 161-171 Allegheny Avenue and 3241-65 N. Hancock Street ("Property"). The Authority Loan will be in a fifth (5th) lien position.
2. Closing on the Authority Loan will be contingent upon the following:
 - i. All necessary Authority approvals from various departments.
 - ii. The Philadelphia Planning Commission issuing an environmental clearance on the Property.
 - iii. Department of Revenue's Tax Status Clearance for all members of the Development Team.

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 and Mr. Bumb.

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



Ms. Bauer presented "Item IV (a) consent to Modification of an Authority Loan with Villas Del Caribe Limited Partnership" in substance consistent with the attached Fact Sheet hereto.

Additional Comments and Discussion

Ms. Fadullon stated for the record that Ms. Duque-Buckley was abstaining due to a potential conflict of interest.

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. 2018-43

RESOLUTION AUTHORIZING THE AUTHORITY'S CONSENT TO THE PERMIT THE MODIFICATION OF THE EXISTING AUTHORITY DEBT PROVIDED TO VILLAS DEL CARIBE LIMITED PARTNERSHIP

WHEREAS, in 1991, the Authority provided financing in the amount of Five Hundred Thirty-Four Thousand Dollars (\$534,000) ("Acquisition Loan") to Villas Del Caribe Limited Partnership ("VDC"). The proceeds of the Acquisition Loan were used to fund the acquisition of 161-171 W. Allegheny Avenue and 3241-65 N. Hancock Street for the development of eighty-one (81) rental units for low-income families ("Project"); and

WHEREAS, the Acquisition Loan was evidenced by a note payable to the Authority which is currently due and payable; and

WHEREAS, VDC desires to continue to maintain the Project for affordable housing and has requested that the Authority extend the term of the Acquisition Loan.

NOW THEREFORE, BE IT RESOLVED, by the Philadelphia Redevelopment Authority, that the Authority is authorized to modify the term of the Acquisition Loan to be thirty (30) years from the date of execution of a modification 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 and Mr. Bumb.

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



REAL ESTATE

Mr. Padilla presented "Item V – Conveyance of Properties" 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. 2018-44

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

2134 E. Cambria Street
2250 Van Pelt Street

Grantee(s)

Natalia Pearson
Eric and Flossie Smith

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:

Board Action

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



ADD ON ITEMS

Mr. Padilla presented "Item VI – Selection of Redeveloper, Mosaic Development Partners, LLC" in substance consistent with the attached Fact Sheet hereto.

Board Action

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

RESOLUTION NO. 2018-45

RESOLUTION SELECTING MOSAIC DEVELOPMENT PARTNERS, LLC AS REDEVELOPER OF 3101 CECIL B. MOORE AVENUE LOCATED IN THE NORTH PHILADELPHIA REDEVELOPMENT AREA, MODEL CITIES URBAN RENEWAL AREA

BE IT RESOLVED, by the Philadelphia Redevelopment Authority, that Mosaic Development Partners, LLC is hereby selected as Redeveloper of 3101 Cecil B. Moore Avenue, located within the North Philadelphia Redevelopment Area, Model Cities 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 Twenty Six Thousand Eight Hundred Sixty Seven Dollars (\$26,867.00); 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 board approval for the Mosaic project is contingent on receiving City Council Approval of the Model Cities 42nd Urban Renewal Plan Amendment, scheduled for public hearing on May 23rd, 2018.

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

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



NEW BUSINESS

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



OLD BUSINESS

Ms. Fadullon asked if there was any old business that needed to be addressed. Ms. Fadullon recognized Ms. Winters. Ms. Winters thanked Mr. Heller for attending the Germantown community meeting.

Ms. Winters stated that she spoke with Mr. Heller and was informed that the Authority was preparing an emergency receivership to be filed with the Philadelphia Court Common Pleas. Ms. Fadullon stated that Authority staff hopes to have the emergency receivership filed by the end of the week.

Mr. Harmon stated that staff is working with outside council to file the receivership petition. The Authority has to present their receivership petition before the Court and the Authority's requested relief is always subject to review and approval by the Court.

Ms. Winters stated that she believed the bankruptcy trustee in the Germantown Settlement bankruptcy matter should be the receiver. Mr. Heller stated that the receivership petition that the Authority intends to file is not related to the Germantown Settlement bankruptcy matter and is not being filed in any bankruptcy court; rather, the receivership petition is being filed in the foreclosure matters that were filed relative to the defaulted Authority loans.

Ms. Fadullon stated that at this time everything is being handled through the courts and the courts will make their determination based on evidence presented. Ms. Fadullon stated that any receivership is intended to help any tenants that are currently in any of the properties secured by the Authority loans.

Ms. Winters asked how the residents can follow the Authority legal proceedings. Mr. Harmon responded that legal proceedings can be followed under the public dockets that are posted on the Court's website.

Ms. Winter further stated that the tenants have been through a lot.

Next, Ms. Fadullon recognized Ms. Weiss. Ms. Weiss stated that a lock on one of the apartment buildings has been removed. Ms. Weiss stated that the Authority needs to protect the rights of the tenants.

Ms. Fadullon stated that Community Legal Services is currently working directly with the tenants to protect their interests. Ms. Weiss asked if all tenants will be represented. Ms. Fadullon replied that she believed all tenants were now working with Community Legal Services.

Mr. Harmon asked Ms. Weiss to specify the location where the lock was removed. Ms. Weiss responded Hamill Mill II Apartments, 5423 Lena Street.



ADJOURNMENT

There being no further business to come before the Board, Ms. Fadullon declared the meeting adjourned at 4:39 P.M.

SECRETARY TO THE BOARD

**BOARD FACTSHEET**

Meeting of May 9, 2018

Termination of Ground Lease & Conveyance

1600 N. Broad Street

NAME OF DEVELOPER: Beech Interplex, Inc. & 1600 Broad Associates, L.P.

Nature of Transaction: The Board is requested to approve the termination of the Ground Lease Agreement (Retail Premises) dated February 17, 2005 ("Ground Lease"), between the Philadelphia Redevelopment Authority (the "Authority") and Beech Interplex, Inc. ("Beech"), for all or portions of the property located at 1600-36 North Broad Street (the "Property"). Beech currently subleases the Property to 1600 Broad Associates, L.P. ("1600 Associates") pursuant to that certain Ground Sublease Agreement dated February 17, 2005 ("Ground Sublease"). The Board is further requested to approve the conveyance of all or certain portions of the Property to either Beech, 1600 Associates or 1600 Venture LLC ("1600 Venture"). 1600 Venture was recently formed with the Department of State for the purpose of taking title to all or a portion of the Property. 1600 Associates is the managing member of 1600 Venture and 1600 Associates owns the controlling interest in 1600 Venture.

On the date the Ground Lease and Ground Sublease were executed, i.e. February 17, 2005, the Authority entered into an Amended and Restated Redevelopment Agreement ("Redevelopment Agreement") with Beech and Tower Investments, Inc. ("Tower"), with respect to the Property. Tower was Beech's permitted assignee under the Redevelopment Agreement. Pursuant to that certain Assignment and Assumption Agreement dated February 17, 2005 ("Assignment Agreement"), between the Authority, Beech, Tower and 1600 Associates, the development obligations under the Redevelopment Agreement with respect to the Property were assigned to 1600 Associates. 1600 Associates ultimately completed the development of the Property and, on February 5, 2013, a Certificate of Completion ("C.O.C.") was issued by the Authority to 1600 Associates, wherein the Authority certified that the improvements as contemplated in the Redevelopment Agreement were completed.

The Board is now being asked to:

- 1) approve the termination of the Ground Lease with Beech as to all or a portion of the Property;
- 2) approve the conveyance of certain portions of the Property to Beech, 1600 Associates and/or 1600 Venture.

PROPERTY INFORMATION: 1600 N. Broad Street

Description: Property consists of a retail shopping complex and movie theater.

Fee: An amount equal to or exceeding \$100,000.00

The Authority currently receives no rent or other consideration under the Ground Lease. The agreement of the fee payment has been reached in return for termination of the Ground Lease as to all or a portion of the Property and conveyance of certain portions of the Property to Beech, 1600 Associates and/or 1600 Venture.

OUTLINE OF TRANSACTION & FINANCING:

The Authority typically conveys development sites at the time of construction; however, a ground lease structure was adopted to assure various community benefits during and after construction completion. Termination of the Ground Lease and conveyance of the all or a portion Property to Beech, 1600 Associates and/or 1600 Venture at this time will reduce the Authority's legal involvement between the existing leasehold and development groups, along with removing any claimed or potential ongoing liability.

Termination of the Ground Lease and conveyance of the all or a portion Property to Beech, 1600 Associates and/or 1600 Venture is subject to the consent and approval of all parties to the Ground Lease and Ground Sublease including, but not limited to, Beech and 1600 Associates.

Proposed Resolution is attached with site map.

Prepared By: Ryan Harmon
Reviewed By: Gregory Heller



BOARD FACTSHEET

Meeting of May 9, 2018

Memorandum of Understanding with the City of Philadelphia and the Local Unions (or the Philadelphia Building and Construction Trades Council on behalf of its affiliates and International Unions and/or their Local Unions) regarding the Rebuild Program

BACKGROUND: The Mayor of the City of Philadelphia (the "City") and City Council have authorized the Philadelphia Authority for Industrial Development ("PAID") to issue up to Three Hundred Million Dollars (\$300,000,000) in bonds ("Rebuild Bonds") for the improvement of parks, recreation facilities and libraries (collectively "Facilities") in the City. Additional funding has also been made available by foundations and other funders to support the improvement of the Facilities.

The Philadelphia Redevelopment Authority (the "PRA") has been requested by the City to participate as a contractor and to support making improvements to the Facilities. The City and the PRA agree that the PRA will require additional employees to support this contracting work.

The PRA is committed to developing a workforce that is racially, ethnically and gender diverse and capable of high levels of craftsmanship and skill. In furtherance of these commitments, the PRA, the City and the Local Unions (or the Philadelphia Building and Construction Trades Council on behalf of its affiliates and International Unions and/or their Local Unions) (collectively, the "Unions") desire to enter into a Memorandum of Understanding ("MOU") wherein the PRA and the Unions will commit to entering into a Project Labor Agreement ("PLA") that will provide new and long-term construction employment and/or opportunities for minorities, women, Philadelphia residents and the economically disadvantaged.

REQUEST: The PRA seeks authorization from the Board to enter into the MOU with the City and the Unions. The MOU will specifically provide that the PRA and the Unions will commit to entering into a PLA that has the following attributes:

- (1) Except as specifically modified by the PLA, the PLA shall be subject to any Collective Bargaining Agreements ("CBAs") that are currently adhered to or followed by the PRA;
- (2) Establishes a process for the referral of qualified skilled crafts persons utilizing Career Links and Philadelphia Works or other mutually agreed-upon workforce recruitment and employment agencies. The qualifications for such persons will be created by Rebuild, PRA, and the City, and will include a skills test;

- (3) Acknowledges that any individuals hired at PRA through this program will be treated as conventional PRA construction employees for purposes of screening, hiring, probational period, and employment practices including discipline, layoffs and termination;
- (4) Provides for a mutually agreeable assessment process (apart from any assessment/testing requirements arising out of No. 2, above), as a condition of employment at PRA, which will be created and administered by the PRA. The PLA will have established/standard (and objective) criteria for the vetting of prospective employees by the PRA;
- (5) Provides that the PRA will have sole discretion as to whether it will hire any prospective employees after the vetting process is complete;
- (6) Creates a process for PRA employees hired through under the PLA to be given provisional union cards for a requisite period of time as agreed upon by the PRA and the Unions (the "**Provisional Period**");
- (7) Provides for a standard training process that will be conducted by the PRA and the Unions;
- (8) Affirmatively states that any individual hired by PRA and provided with a Provisional Union Card will immediately start paying all union dues typically proscribed by that union, and will be compensated by the PRA at a rate commensurate with individual skills and experience, within the apprentice wage scale, as allowable by Law;
- (9) Addresses how such employees will be supervised at a level appropriate for the skill level for those employees in their trades;
- (10) Provides that such employees will only be used on Rebuild Bonds projects during their Provisional Period;
- (11) Provides that the PRA is subject to the Commonwealth of Pennsylvania prevailing wage rates;
- (12) Provides how such employees will be designated and insured by the PRA;
- (13) Provides that individuals holding provisional union cards shall be supervised by journeymen in PRA's employ and within the same trade, but as agreed to by the relevant trade union, and the parties may agree to provide flexibility on standard ratios of apprentices to journeymen, as allowable by law; and
- (14) Creates a process for PRA employees hired through this Initiative who are employed by the PRA to become union members at a level commensurate with individual skills and experience after the Provisional Period. After the employee has completed 3,000 hours of work with the PRA, said employee shall have the opportunity to join the applicable trade. The employee shall undergo a skills assessment, jointly designed and administered by PRA and the Unions to determine

Item II (b)

at what level they shall enter the Union. Union membership attained after this assessment shall be the same as any other union member at that appropriate level in that same trade.

The MOU will also provide that PRA and the Unions also agree to certain worker diversity goals. In order to support an increase in opportunities in the construction and building trades for minority and female workers, the parties will adopt goals established in the 2015 Disparity Study commissioned by the City's Office of Economic Opportunity. These goals are 40% minority participation and 5% female participation in the building trades workforce in the Philadelphia region.

Prepared By: Ryan Harmon

Reviewed By: Gregory Heller



BOARD FACTSHEET

Meeting of May 9, 2018

Approval of Amendment to Previously Approved Project
Financing for the Divine Lorraine, Headhouse Flats and the
Studebaker Building

NAME OF DEVELOPERS/APPLICANTS:

1. Divine Intervention Hotel, LP ("**DIH LP**") (General Partner: Divine Intervention Hotel I, LLC)
2. Divine Alchemy, LP ("**DA LP**") (General Partner: Divine Alchemy GP, LLC)
3. Abbotts Resurrection, LP ("**AR LP**") (General Partner: Abbotts Resurrection GP, LLC)
4. 677 North Broad Associates, LLC ("**677 LLC**")

DIH LP, DA LP, AR LP and 677 LLC are hereinafter referred to, collectively, as the "**Borrowers.**"

TRANSACTION:

Nature of Transaction: By Resolution No. 2018-34, adopted April 11, 2018, the Board authorized the Authority to provide a loan in an amount not to exceed Four Million Dollars (\$4,000,000) (the "**Authority Loan**") to Borrowers for the purpose of recapitalizing the properties known as (i) the Divine Lorraine and the Divine Lorraine Annex, located at 699 N. Broad Street, (ii) Head House Flats, located at 528 South 2nd Street, and (iii) the Studebaker Building, located at 667 N. Broad Street (collectively, the "**Properties**"), and to enter into all agreements and documents incident thereto. The Authority Loan will be used to refinance the existing Two Million Five Hundred Thousand Dollar (\$2,500,000) development loan (the "**Existing Loan**") that was provided to DIH LP in 2015, and will add an additional One Million Five Hundred Thousand Dollars (\$1,500,000) in funds.

Today, the Board is being asked to modify certain of the previously approved terms of the Authority Loan. Specifically:

1. Reduce the approved origination fee of 1.5% of the Authority Loan amount to 1.0% of the Authority Loan amount.
2. Reduce the approved exit fee of 1.5% of the Authority Loan amount to 1.0% of the Authority Loan amount.
3. Agree to the removal of the following secured collateral - approximately 49% equity and assignment of approximately 100% of cash flows on Eric

Blumenfeld's ("**Blumenfeld**") interest in the Mural Lofts Apartments – 523 N Broad Street, Unit A, Philadelphia, PA 19123.

All other terms of the Authority Loan as previously approved by Resolution No. 2018-34, adopted April 11, 2018, shall remain unchanged. The modifications approved by this request will close a refinancing funding gap of approximately One Million Dollars (\$1,000,000) and will allow the loan held by the current senior lender, 100 Mile Fund, LLC, to be refinanced.

Susquehanna Structured Capital, LLC ("**Susquehanna**"), who is the lender that the PRA is participating with on the Authority Loan, has agreed to the same modifications of their loan. Susquehanna's portion of the loan under the Participation Agreement with the Authority will be approximately Sixteen Million Six Hundred Thousand Dollars (\$16,600,000). Both the Authority Loan and Susquehanna's loan under the Participation Agreement will be subordinate to a first lien loan from Guggenheim Commercial Real Estate Finance LLC ("**Guggenheim**") in the amount of approximately Forty-One Million Dollars (\$41,000,000).

A revised outline of the sources and uses for all funding related to the Authority Loan and the other financing provided from Susquehanna and Guggenheim is attached hereto.

Proposed Resolution is attached.

Prepared by: Ryan Harmon
Reviewed by: Gregory Heller



BOARD FACTSHEET
 Meeting of May 9, 2018
 Approval of Design-Build/Construction Agreement
 Compressed Natural Gas Facility Project

NATURE OF TRANSACTION:

The approval of a design-build/construction agreement between the Philadelphia Redevelopment Authority (the "PRA") and Clean Energy, Inc., for modifications and upgrades to the Compressed Natural Gas Facility located at 3033 S. 63rd Street.

SELECTION PROCESS:

On February 16, 2018, the Authority solicited proposals from qualified energy firms for the modification and upgrade to the City of Philadelphia, Office of Fleet Management Repair Facility, located at 3033 South 63rd Street. The upgrades will allow for the repair, servicing and storage of compressed natural gas ("CNG") powered heavy-duty vehicles at the facility. Clean Energy, Inc. ("CEI"), was the sole responsive bidder. CEI's base bid for project was Six Hundred Eighty-Nine Thousand Three Hundred Five Dollars (\$689,305).

Clean Energy, Inc.

4675 MacArthur Court, Suite 800
 Newport Beach, CA 92660
 EOP: 35% - MBE; WBE and DBE – Best Faith Efforts

BACKGROUND/FINANCING:

The project will be funded with City Capital funds as outlined in the executed Subgrant Agreement between the PRA, City of Philadelphia and the Philadelphia Authority for Industrial Development ("PAID"). The Agreement allows for funds to be transferred to the Authority for various capital improvement projects.

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

**BOARD FACTSHEET**

Meeting of May 9, 2018
 Selection of Redeveloper
 128 Melvale Street

NAME OF DEVELOPER/APPLICANT: Mefail Kupa

Nature of Transaction: Selection of developer to combine 128 E. Melvale Street for use as greenspace to accommodate the newly constructed adjacent single family home located within the New Kensington-Fishtown Urban Renewal Area.

Mailing Address: 1701 Spruce Street, Philadelphia, PA 19103

PROPERTY INFORMATION: 128 Melvale Street

Description: 389.7 sq. ft., vacant lot **Zoning:** RSA-5 **Use:** Residential

Disposition Value: \$39,000.00

Property value was established through an independent appraisal. As per the disposition policy, this property is being disposed as a direct sale as the developer will own 100% of the development site.

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 the Summer, 2018, with completion within twelve (12) 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, an Economic Opportunity Plan is not required for this project as development costs are under \$100,000.

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

Prepared by: Tracy Pinson-Reviere, Project Manager II

Reviewed by: Larry Padilla

**BOARD FACTSHEET**

Meeting of May 9, 2018

Selection of Redeveloper

5508, 5510, 5512 and 5514 Haverford Avenue

NAME OF DEVELOPER/APPLICANT: Haverford Apartments LP

Nature of Transaction: Selection of Haverford Apartments LP as redeveloper proposing to develop a parcel of assembled lots into an open space/community area and community area in the Haddington area of West Philadelphia. Developer is the adjacent owner of the multi-family apartment building located at 5516-22 Haverford Avenue.

Legal Entity/Other Partners (if applicable): RS Capital Partners LLC

Mailing Address: 1200 Callowhill Street, Suite 403, Philadelphia, PA 19123

PROPERTY INFORMATION: 5508, 5510, 5512 & 5514 Haverford Avenue

Description: 3,356 sq. ft., vacant lots **Zoning:** Auto-Oriented Commercial (CA-1)

Disposition Price: \$17,000 **Proposed Use:** Open Space/Community Area

PRA requested competitive bids for this parcel of assembled lots in September, 2017, with no asking price. Upon the submission deadline in October, 2017, the developer was the sole bidder and its bid price determined the purchase price above. Within the last year, the developer has also rehabbed of the adjacent four-story property at 5516-22 Haverford Avenue into thirty-four (34) market rate rental units.

FINANCING:

The developer will use cash on hand to purchase the property and fund the improvements on the parcel. Developer 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:

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 an Economic Opportunity Plan is not required for this project given the construction budget is under \$100,000. The developer is encouraged to make a best and good faith effort to employ and document their effort to hire MBE, WBE and DBE registered businesses.

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

Prepared by: Jessie Lawrence, Project Manager

Reviewed by: Larry Padilla

**BOARD FACTSHEET**

Meeting of May 9, 2018

Amendatory Agreement

1511-1515 Brown Street LLC

1513 Brown Street

NAME OF DEVELOPER/APPLICANT: 1511-1515 Brown Street LLC**Mailing Address:** 229 Market Street, Unit #3, Philadelphia, PA 19106

Nature of Transaction: By Resolution No. 2015-51, adopted on March 15, 2015, the Board authorized the redevelopment agreement between the Philadelphia Redevelopment Authority ("PRA") and 1511-1515 Brown Street LLC ("Brown Street") for the development of four (4) market rate rental units at the property located at 1513 Brown Street (the "Property") in the Model Cities Urban Renewal Area.

Brown Street has completed construction of three (3) market rate rental units on the Property, submitted the Certificate of Occupancy for the building and has requested a Certificate of Completion for the project. Upon review of the request by PRA Staff, it was ascertained that the preliminary plans were revised without the PRA's knowledge or consent to include a change in building footprint, reduction in total unit count and shift in unit sizes.

Today the Board is asked to authorize a resolution that facilitates the approval of the revised schematic plans to reflect the current development as-built and submitted by Brown Street to the PRA.

PROPERTY INFORMATION: 1513 Brown Street**Description:** 1,026 sq. ft., vacant lot **Zoning:** RM-1 **Use:** Residential**Disposition Value:** \$75,000**COMMENTS OR OTHER CONDITIONS:**

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

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

Prepared by: Jessie Lawrence

Reviewed by: Larry Padilla


BOARD FACTSHEET

Meeting of May 9, 2018

Non-Recourse Construction/Permanent Loan

Villas Del Caribe

Nature of Transaction:

The restructuring of Authority debt to permit the continued use of the Property for affordable housing.

BACKGROUND/PROJECT DESCRIPTION:

In December, 1991, the Authority provided an acquisition loan in the amount of Five hundred Thirty-Four Thousand Dollars (\$534,000) (the "Acquisition Loan") to Villas del Caribe Limited Partnership, a Pennsylvania Limited Partnership, of which HACE was the sponsor ("Sponsor"). In 1996, the Project was development into eighty-one (81) affordable family units and received construction financing from the Authority. The Acquisition Loan was due on the twentieth (20th) anniversary of the closing.

In 2012, the Project reached its initial fifteen (15) year LIHTC compliance period. HACE is working to preserve the units and has requested that the Authority extend the loan term of the Acquisition Loan to allow the Project to continue as an affordable rental project.

BOARD ACTION REQUIRED:

The Board is asked to authorize the modification of the term of the Acquisition Loan to be for a term of thirty (30) years from the date of execution of a modification agreement.

Proposed Resolution is attached

Prepared by: Darci Bauer, Housing Finance Director

Reviewed by: Larry Padilla, Senior Director, Real Estate and Development Finance


BOARD FACTSHEET

Meeting of May 9, 2018

Non-Recourse Construction/Permanent Loan

Villas Del Caribe

NAME OF SPONSOR: HACE

Nature of Transaction: Authorization for the Authority to enter into a non-recourse construction/permanent loan agreement in the amount of Nine Hundred Fifty Thousand Dollars (\$950,000) ("Authority Loan") with Villas Del Caribe Limited Partnership ("Partnership"). The proceeds of the Authority Loan will be used to preserve eighty-one (81) units of a low income housing tax credit project, Villas Del Caribe ("VDC"), in the St. Hugh Neighborhood of Philadelphia located at 161-171 W. Allegheny Avenue and 3241-65 N. Hancock Street ("Property").

BACKGROUND/PROJECT DESCRIPTION:

In 1996, the Authority provided financing in the amount of Two Million Four Hundred Twenty-Three Thousand Three Hundred Forty-One Dollars (\$2,423,341) for the acquisition and rehabilitation of an eighty-one (81) unit low income housing tax credit ("LIHTC") development. In 2012, the VDC reached its initial fifteen (15) year LIHTC compliance period and the sponsor, HACE, has made significant investments in the Property in order to ensure the viability of the units. As part of the preservation plan HACE wants to replace the existing HVAC system and water heaters for all eighty-one (81) townhomes with a 96% energy efficient system. The Authority will enter into a loan agreement with the Partnership for a thirty (30) year term 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 will be due and payable upon the thirtieth (30th) anniversary of the Authority Loan closing. The Authority Loan will be secured by a fifth (5th) lien position behind financing that was provided by the City of Philadelphia Board of Pensions and the Authority when the LIHTC project was developed in 1996. In addition, the Pennsylvania Housing Finance Agency provided a Smart Rehabilitation Loan that was executed in 2011.

COMMENTS OR OTHER CONDITIONS:

The City has approved the Economic Opportunity Plan for this project. The Authority housing construction department has approved the scope of work and costs of the construction for this project.

Loan closing will be contingent on The Philadelphia Planning Commission issuing an environmental clearance on the Properties and Department of Revenue's Tax Status Clearance for all members of the Development Team.

BOARD ACTION REQUIRED:

1. Authorize the Authority to enter into a loan agreement with the Partnership in an amount not to exceed Nine Hundred Fifty Thousand Dollars (\$950,000).

Proposed Resolution is attached

Prepared by: Mark A. Nekoranic, Housing Development Officer
Reviewed by: Darci Bauer, Housing Finance Director



BOARD FACTSHEET

Meeting of May 9, 2018

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.

Address

2134 E. Cambria Street
2250 Van Pelt Street

Grantee

Natalia Pearson
Eric and Flossie Smith



BOARD FACTSHEET

Meeting of May 9, 2018
 Selection of Redeveloper
 3101 Cecil B. Moore Avenue

NAME OF DEVELOPER/APPLICANT: Mosaic Development Partners, LLC

Nature of Transaction: Selection of developer to construct a three (3) story mixed-use building with commercial on the first floor and a total of fifteen (15) residential units on the first through fourth floors located within the Model Cities Urban Renewal Area. This PRA property will be combined with the adjacent property (3103 Cecil B. Moore) that is currently in the process of being purchased by Mosaic Development Partners, LLC. Approximately five (5) units of the proposed development will be located on the PRA property.

Legal Entity/Other Partners (if applicable): Mosaic Development Partners, LLC

- Gregory Reaves – Managing Member – 90%
- Leslie Smallwood-Lewis – Member – 10%

Mailing Address: 3002 Cecil B. Moore Avenue, 2nd Floor, Suite C01
 Philadelphia, PA 19121

PROPERTY INFORMATION: 3101 Cecil B. Moore Avenue

Description: 1,900 sq. ft., vacant lot **Zoning:** RSA-5 **Use:** Residential

Disposition Value: \$26,867.00

Property was advertised for sale on www.PhillyLandWorks.org; two (2) expression of interest were received for the property, in which the other application failed to submit the required documentation.

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:

Board approval of the Mosaic project is contingent on receiving City Council Approval of the Model Cities 42nd Urban Renewal plan Amendment. The plan amendment is scheduled for public hearing on May 23, 2018. City Council introduction is

anticipated to be held on May 24, 2018 and final passage on June 7, 2018. Acquisition and commencement of construction of the proposed project is estimated to start in Summer, 2018, with construction completion within twenty-four (24) 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 Economic Opportunity Plan ranges have been approved by the City at MBE – 35% and WBE – 15%. This developer is new to the PRA, and therefore, no past performance has been recorded.

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

Prepared by: Tracy Pinson-Reviere, Project Manager II

Reviewed by: Larry Padilla