

PHILADELPHIA REDEVELOPMENT AUTHORITY

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

**BOARD MEETING
WEDNESDAY, DECEMBER 11, 2019**

Open Session – 4:00 P.M.

A G E N D A

APPROVAL OF BOARD MINUTES

Meeting of November 13, 2019

I. EXECUTIVE DIRECTOR'S REPORT

II. ADMINISTRATIVE

- (a) Grant Agreement with the City of Philadelphia,
acting through its Department of Parks &
Recreation and its Finance Department
Approval of First Amendment to Grant Agreement

III. DEVELOPMENT

- (a) Mantua Urban Renewal Area
3600 Haverford Avenue Associates, LP
3601-15 Haverford Avenue, 3623-3637 Haverford
Avenue, 3603-3627 Mount Vernon Street, 622-624
N. 36th Street and 628-634 N. 36th Street
**Modification to Resolution No. 2019-80, Adopted
November 13, 2019**
- (b) New Kensington-Fishtown Urban Renewal Area
Coral Reef LLC
2514 Coral Street
Selection of Redeveloper
- (c) New Kensington-Fishtown Urban Renewal Area
JR Complete Construction Inc.
1824 E. Huntingdon Street
Selection of Redeveloper

AGENDA

Board Meeting of December 11, 2019

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- (d) Philadelphia Housing Development Corporation
732 S. 21st Street
Release of Certain Covenants and Restrictions

- (e) Point Breeze Urban Renewal Area
**Ninth Amended Redevelopment Proposal and
Ninth Amended Urban Renewal Plan**

IV. HOUSING FINANCE

Inglis Apartments at Elmwood
Inglis Apartments at Elmwood, L.P.
6100-6240 Eastwick Avenue
Non-Recourse Construction/Permanent Loan

V. REAL ESTATE

Department of Public Property
Conveyance of Properties

PHILADELPHIA REDEVELOPMENT AUTHORITY

BOARD MEETING MINUTES

A meeting of the Board of Directors of the Philadelphia Redevelopment Authority was held on Wednesday, November 13, 2019, commencing at 4:17 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, Chair; James Cuorato, Vice Chair; Rob Dubow, Treasurer; and Duane Bumb, Secretary.

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

The following members of the Authority staff were present: Gregory Heller, Ryan D. Harmon, Esquire, Tracy Pinson-Riviere, Brian Romano, Ali Mooney, Jane Allen, Karanja Slaughter and Elizabeth Bonaccorso.

Also in attendance: Peilin Chen, City Finance Department; Jamila Davis, DHCD; Angel Rodriguez, PHDC; Roneece Dent, PHDC; Bradley Vassallo, PHDC; and Vic Szwanki, KML Carpenters Local 158; Joe Lockley, KML Carpenters Local 158; Aaron Moselle, WHITT News; Charles Lomax, Lomax Real Estate Partners; Jihad Ali, Enterprise Center; Dustin Kapson, AKRF; and Kevin Flynn, AKRF.

ANNOUNCEMENTS

None.



MINUTES

Ms. Fadullon called for a motion to approve the minutes of the Board meeting of October 16, 2019.

Upon motion made and duly seconded, the minutes of October 16, 2019 were approved.



EXECUTIVE DIRECTOR'S REPORT

None.



ADMINISTRATIVE

Mr. Heller presented "Item II (a) – Amendment Agreement with Christopher Bunch, Individually and Doing Business as Paving the Way Landscaping" in substance consistent with the attached Fact Sheet hereto.

Additional Comments and Discussion

Ms. Fadullon asked if an EOP has been executed and approved. Mr. Heller responded yes and stated that the provider is a certified minority business.

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. 2019-77

RESOLUTION AUTHORIZING AN AMENDED AGREEMENT FOR LANDSCAPE MAINTENANCE SERVICES WITH CHRISTOPHER BUNCH, INDIVIDUALLY AND DOING BUSINESS AS PAVING THE WAY LANDSCAPING, TO PROVIDE LANDSCAPE MAINTENANCE SERVICES IN THE EASTWICK SECTION OF THE CITY OF PHILADELPHIA

WHEREAS, the Philadelphia Redevelopment Authority (the "Authority") undertook a competitive invitation for proposals from qualified landscape companies to perform landscape maintenance services in the Eastwick section of the City of Philadelphia;

WHEREAS, proposals were reviewed and evaluated by a project review team which resulted in the recommendation of Christopher Bunch, individually and doing business as Paving the Way Landscaping ("Provider"), as the most qualified responsive bidder;

WHEREAS, pursuant to Resolution No 2019-20, adopted March 13, 2019, the Authority and Provider entered into an Agreement for Landscape Maintenance Services (the "Original Agreement");

WHEREAS, authorization is now sought to amend the Original Agreement to add Twenty Thousand Dollars (\$20,000) to the Year 1 contract amount. The contract amounts for Year 2 and Year 3 will remain the same.

NOW THEREFORE, BE IT RESOLVED, by the Authority, that the Executive Director is authorized to execute an Amended Agreement for Landscape Maintenance Services with Provider for an increase to the Year 1 contract compensation amount as follows:

	<i>Year 1</i>	<i>Year 1 (amended)</i>	<i>Year 2</i>	<i>Year 3</i>
Paving the Way Landscaping \$198,450	\$180,000	\$200,000	\$189,000	

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

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

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



Mr. Harmon presented "Item II (b) – Agreement for Professional Services with AKRF, Inc." in substance consistent with the attached Fact Sheet hereto.

Additional Comments and Discussion

Mr. Bumb pointed out that the attached resolution indicated \$300,000.00; however, it should reflect the amount reflect on the Fact Sheet which is \$360,000.00. Mr. Harmon confirmed the typo and stated that the typo will be corrected.

Ms. Fadullon asked if anyone has questions pertaining to this item. Ms. Fadullon recognized Mr. Ali and invited him to speak. Mr. Ali had a concern with regards to the Economic Opportunity Plan ("EOP") plan not being attached for this item. Ms. Fadullon stated that EOP's are not typically attached to Board packages. Mr. Ali suggested that the Board should request that the EOP's are attached going forward.

Mr. Bumb requested that the resolution should be amended to reflect the correct contract amount.

Board Action

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

RESOLUTION NO. 2019-78

RESOLUTION AUTHORIZING AN AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN THE PHILADELPHIA REDEVELOPMENT AUTHORITY AND AKRF, INC., TO PROVIDE ENVIRONMENTAL CONSULTING SERVICES

BE IT RESOLVED, by the Philadelphia Redevelopment Authority, that authorization is hereby given for the Authority to enter into an Agreement for Professional Services with AKRF, Inc. ("AKRF"), to provide the Authority with environmental consulting services on the terms set forth in the attached Fact Sheet.

FURTHER AUTHORIZING, the payment of compensation to AKRF for all services in an amount not to exceed Three Hundred Sixty Thousand Dollars (\$360,000), at the hourly rates provided for in the attached Fact Sheet.

FURTHER AUTHORIZING, the preparation 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 amended resolution: Ms. Fadullon, Mr. Cuorato, Mr. Bumb and Mr. Dubow.



DEVELOPMENT

Mr. Romano presented "Item III (a) – Certificate of Completion for 1100 South Street including 602-06 S. 11th Street" in substance consistent with the attached Fact Sheet hereto.

Board Action

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

RESOLUTION NO. 2019-79

SOUTH CENTRAL REDEVELOPMENT AREA, SOUTH CENTRAL URBAN RENEWAL AREA, RESOLUTION APPROVING THE ISSUANCE OF A CERTIFICATE OF COMPLETION RE: 1100-04 SOUTH STREET INCLUDING 602-06 S. 11TH STREET

WHEREAS, the Philadelphia Redevelopment Authority ("Authority") entered into a Redevelopment Agreement (the "Agreement") with Killian Properties, LLC ("KP LLC"), dated February 1, 2006, for the development of 1100-04 South Street including 602-606 S. 11th Street (the "Properties");

WHEREAS, the Authority and KP LLC entered into an Assignment Agreement with a new entity created by KP LLC - 1100 South Street, LLC ("Redeveloper") - on October 18, 2006;

WHEREAS, the construction of the Properties has completed in accordance with the Agreement.

WHEREAS, Authority staff believes that there remains an issue with compliance regarding the Percent for Art requirements under the Agreement;

WHEREAS, although approval is being sought from the Board to issue a Certificate of Completion for the Project, it is proposed that the Authority reserve all rights against Redeveloper to enforce the Percent for Art obligations required of Redeveloper under the Agreement.

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 the development of the properties located at 1100-04 South Street including 602-06 S. 11th Street in accordance with the Agreement, without waiving (and specifically reserving) any rights to enforce the Percent for Art obligations required of Redeveloper under the 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 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 Mr. Dubow.



Ms. Pinson-Reviere presented "Item III (b) – Selection of Redeveloper, 3600 Haverford Avenue Associates, LP" in substance consistent with the attached Fact Sheet hereto.

Additional Comments and Discussion

Ms. Pinson-Reviere informed the Board of Directors that the principals of the Redeveloper, 3600 Haverford Avenue Associates, LP ("Redeveloper"), are in attendance if there are any additional questions.

Mr. Heller advised the Board that the disposition price in the Fact Sheet and Resolution needs to be revised to One Million Fifty Thousand Dollars (\$1,050,000) to match the price received in Redeveloper's bid submission.

Mr. Rodriguez informed the Board that today's approval is contingent upon the Authority staff vetting and approving the appropriate corporate documentation of the Redeveloper and Redeveloper's partners/members. Such documentation shall be submitted to the Authority by the Redeveloper on or before Wednesday, November 20, 2019.

Ms. Fadullon stated for the record that the Fact Sheet and the Resolution would be amended to reflect correct disposition price.

Board Action

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

RESOLUTION NO. 2019-80

RESOLUTION SELECTING 3600 HAVERFORD AVENUE ASSOCIATES, LP AS REDEVELOPER OF 3601-3637 HAVERFORD AVENUE, 3603-3627 MOUNT VERNON STREET, 622-624 N. 36TH STREET AND 628-634 N. 36TH STREET LOCATED WITHIN THE WEST PHILADELPHIA REDEVELOPMENT AREA AND MANTUA URBAN RENEWAL AREA

BE IT RESOLVED, by the Philadelphia Redevelopment Authority, that 3600 Haverford Avenue Associates, LP ("Redeveloper"), is hereby selected as redeveloper of 3601-3637 Haverford Avenue, 3603-3627 Mount Vernon Street, 622-624 N. 36th Street and 628-634 N. 36th Street, located within the West Philadelphia Redevelopment Area and Mantua 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 One Million Fifty Thousand Dollars (\$1,050,000.00); 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 amended resolution: Ms. Fadullon, Mr. Cuorato, Mr. Bumb and Mr. Dubow.



HOUSING FINANCE

Ms. Mooney presented "Item IV (a) – Non-Revolving Line of Credit Loan with Impact Loan Fund, Inc." in substance consistent with the attached Fact Sheet hereto.

Additional Comments and Discussion

Ms. Fadullon asked if anyone has questions pertaining to this item. Ms. Fadullon recognized Mr. Ali and invited him to speak. Mr. Ali asked why the West and North Philadelphia sections of the City were not selected as part of the pilot program. Ms. Fadullon responded that the Redevelopment Authority received grant funding from the Commonwealth of Pennsylvania and that this is a pilot program. Ms. Fadullon further stated that if successful, the hope would be to make the program available City wide.

Mr. Ali asked what the exact program boundaries are. Mr. Heller replied the area is in the Greater Kensington section of the City. Mr. Heller informed Mr. Ali to he could go to Impact Loan Fund's website and the information would be there.

Finally, Mr. Ali asked if an EOP will be required. Ms. Fadullon replied no because the loan amounts will not exceed the amount required to trigger an EOP requirement.

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. 2019-81

RESOLUTION AUTHORIZING THE AUTHORITY TO PROVIDE A NON-REVOLVING LINE OF CREDIT LOAN TO IMPACT LOAN FUND, INC. IN AN AMOUNT NOT TO EXCEED \$380,000 FOR THE SMALL LANDLORD LOAN PROGRAM

BE IT RESOLVED, by the Philadelphia Redevelopment Authority ("Authority"), that the Authority is authorized to provide a non-revolving line of credit loan related to the *Small*

Landlord Loan Program ("Program") in an amount not to exceed Three Hundred Eighty Thousand Dollars (\$380,000) (the "Authority Loan") to Impact Loan Fund, Inc. ("Borrower") to be to be used for the purpose of providing loans (each, an "SLLP Loan", and together, the "SLLP Loans") and technical assistance to landlords located in the City of Philadelphia that own a total of ten (10) or fewer units and in need of health and/or safety related repairs.

BE IT RESOLVED, the Authority Loan is authorized under the following terms and conditions:

1) Non-Revolving Line of Credit Loan Agreement and Line of Credit Note, and other ancillary loan documents, between the Authority and Borrower providing for the Authority Loan to Borrower, funded through a grant from the Pennsylvania Housing Finance Agency's Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund;

2) Other material terms of the Authority Loan are as follows:

- **Amount:** Three Hundred Eighty Thousand Dollars (\$380,000)
- **Interest Rate:** 0%
- **Term:** The earlier of (i) fifteen (15) years, or (ii) the full prepayment or maturity of the last outstanding SLLP Loan issued by Borrower under the Small Landlord Loan Program, unless otherwise terminated in accordance with this Agreement, the Loan Agreement or the Note.
- **Repayment:** Except as set forth below, no repayment of principal of the Line of Credit will be required for four (4) years from the date of the Authority Loan ("Effective Date"). After that fourth anniversary of the Effective Date (the "Maturity Date"), any Authority Loan proceeds that have not been used to originate SLLP Loans shall be due and payable to the Authority within ninety (90) days following the Maturity Date. Upon maturity or prepayment of any SLLP Loan, the entire principal amount of such SLLP Loan must be paid to the Authority within ninety (90) days of such maturity or prepayment to pay down the Authority Loan. Following the Maturity Date, the Authority Loan shall be immediately due and payable to the Authority. Borrower is entitled to retain all interest accrued on any SLLP Loans originated by Borrower.
- **Early Termination of Authority Loan.** The Authority Loan may be terminated at any time upon thirty (30) days' notice, with the consent of the Authority and Borrower, so long as no SLLP Loans are outstanding and all principal from the Authority Loan has been repaid. Further, if no SLLP Loans are originated following the first anniversary of the Effective Date, the Authority may terminate the Authority Loan and Borrower must repay all principal under the Authority Loan within thirty (30) business days.

3) The Authority Loan will be issued to the Borrower to support the Program and compensate Borrower for the following services:

- Manually underwrite SLLP Loans and provide letters of pre-qualification to landlords who:

- Own no more than ten (10) units of rental housing in their portfolios.
- Intend to use Program funds to support repairs on properties located in the target area.
- Underwrite, originate and service SLLP Loans that reflect the following terms:
 - SLLP Loan amounts may range from Ten Thousand Dollars (\$10,000) to Twenty-Four Thousand Nine Hundred and Ninety-Nine Dollars (\$24,999) per project ("Project").
 - SLLP Loan terms may not exceed ten (10) years.
 - SLLP Loan interest rates may not exceed eight percent (8%) fixed rate unless written approval is provided by the Authority.
 - Loan to Value ("LTV") ratios may not exceed eighty five percent (85%) based on internal desktop valuations carried out by Provider.
 - Debt Service Coverage Ratios ("DSCR") may not fall below 1.15.
 - SLLP Loans must be secured by the property being financed and may not exceed second position. Borrower may refinance senior debt.
 - Draw periods may not exceed three (3) months without written consent from Borrower. Borrower may charge interest to landlords during the construction draw period.
 - For every SLLP Loan provided by Borrower, Borrower must record a mortgage security instrument that includes an affordability restriction ("SLLP Rent Restriction") that restricts monthly rents to a rate that is affordable to tenants at or below 100% AMI. The Authority may request that Borrower audit the SLLP Loan units at any time.
 - The sum of all associated loan transaction fees may not exceed fifteen percent (15%) of SLLP Loan principal and Borrower may require said fees be paid out of pocket.

4) Closing on the Authority Loan will be contingent on receiving 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.



Ms. Mooney presented "Item IV (b) – Non-Revolving Line of Credit Loans with Impact Services Corporation" 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. 2019-82

RESOLUTION AUTHORIZING THE AUTHORITY TO PROVIDE A NON-REVOLVING LINE OF CREDIT LOAN TO IMPACT SERVICES CORPORATION IN AN AMOUNT NOT TO EXCEED \$1,500,000 FOR THE MCPHERSON SQUARE PILOT PROGRAM

BE IT RESOLVED, by the Philadelphia Redevelopment Authority ("Authority"), that the Authority is authorized to provide a loan to Impact Services Corporation ("Borrower") related to the *McPherson Square Pilot Program* (the "Program") in an amount not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000) ("Authority Loan") to revitalize properties and connect qualified families with affordable rental and/or homeownership opportunities in the Program area which is bound by Westmoreland Street to the North, Lehigh Avenue to the South, Kensington Avenue to the East and North 2nd Street to the West (the "Program Area"), in the City of Philadelphia (the "City");

BE IT RESOLVED, that the Borrower shall be authorized to independently (without assistance from the public sector) identify and acquire properties (each, a "Property," and together, the "Properties") in the Program Area using Authority Loan proceeds and to ultimately rent or sell the units located on the Properties (each, a "Unit," and together, the "Units") to tenants or purchasers (collectively, "Income Eligible Purchasers") who are income-certified by the Authority prior to leasing or selling Units and who have a household income no greater than sixty percent (60%) of Area Median Income for Philadelphia-Camden-Wilmington, PA, NJ, DE, MD MSA ("AMI");

BE IT RESOLVED, that the Authority may enter into a Non-Revolving Line of Credit Loan Agreement, a Line of Credit Note and any other documents ancillary thereto, reflecting the following terms:

- **Loan Amount:** Not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000), funded with proceeds from the Housing Trust Fund.
- **Loan Term and Maturity Date:** All outstanding principal and interest due to the Authority within one hundred eighty (180) months following the closing date of the Authority Loan ("Maturity Date").
- **Interest Rate:** Interest on the outstanding principal amount of the Authority Loan, only, shall be due and payable on the first day of each calendar year during the

Term, with interest at the fixed rate of One Percent (1%) per annum, followed by one final payment of the remaining principal balance plus all accrued interest due upon the Maturity Date.

· **Draws and Use of Proceeds:** Borrowers may draw down Authority Loan funds as a Property or Properties become available for purchase, in accordance with the following:

- No single draw may be less than Fifty Thousand Dollars (\$50,000);
- Draws of Authority Loan proceeds to be used for any Property shall be limited to ninety-five percent (95%) of the purchase price;
- The purchase price for any Property is not to exceed One Hundred Fifty Percent (150%) Loan-to-Value based on an appraisal commissioned by the Authority;
- Authority Loan proceeds may be used only to purchase the Properties and for related closing costs (the "Property Acquisition Cost"), which include title insurance costs, recording fees, and transfer tax costs as approved by the Authority. Any such purchases must be made through an arm's length transaction between two (2) independently controlled, unrelated organizations, corporations, or legal entities;
- Authority Loan proceeds shall not be used for construction, renovation, or any construction-related activities;
- Borrower may rent or sell the Units located on each Property to Income Eligible Purchasers who are income-certified by the Authority prior to leasing or selling Units and who have a household income no greater than 60% of AMI. Units shall be leased or sold at rent levels and purchase prices that are affordable to families with household incomes no greater than 60% of AMI;
- Upon the sale of a Unit or Units at a price that is affordable to Income Eligible Purchasers ("Sale Price"), the proceeds of such sale up to an amount equal to the Property Acquisition Cost must be repaid to the Authority to pay down the outstanding principal balance of the Authority Loan;
- If Borrower sells a Unit to an Income Eligible Purchaser for a Sale Price that is more than the Property Acquisition Cost, Borrower may retain any sale proceeds that exceed the Property Acquisition Price up to an amount that is fifteen percent (15%) above the Property Acquisition Cost ("Borrower Return"). Any sale proceeds that exceed fifteen percent (15%) above the Property Acquisition Cost shall be paid to the Authority and **shall not** be credited against the principal or interest due to the Authority under the Authority Loan and **shall not** be deemed to be a repayment of the Authority Loan in any respect;
- If Borrower sells a Unit to an Income Eligible Purchaser for a Sale Price that is less than market value, based on an independent appraisal or other valuation methodology approved by the Authority ("Valuation"), then the Authority may opt to provide the Income Eligible Purchaser with a purchase money mortgage, self-amortizing soft-second mortgage, or any similar instrument

intended to maintain affordability of the Unit or Units, for an amount not to exceed the difference between market value and the Sale Price; and

- No mortgages, liens, or affordability restrictions may be placed on Units by Borrower without receiving written consent from the Authority prior to closing.

- **Collateral:**

- First Lien encumbering the Property or Properties, all improvements made and all equipment, furniture, fixtures, and materials to be incorporated into the improvements;
- First-priority assignment of leases and rents.

- **Restrictive Covenant:** For every Property purchased by Borrower using Authority Loan Proceeds, a Declaration of Restrictive Covenants encumbering the Property or Properties ("Property Declaration") shall be recorded which includes the requirement that Borrower rent or sell the Units constructed on each Property to tenants or purchasers who are income-certified by the Authority and who have a household income no greater than sixty percent (60%) of AMI and that the Units constructed on each Property be leased or sold at rent levels and purchase prices that are affordable to families with household incomes no greater than sixty percent (60%) of AMI.

- **Closing:** Closing on the Authority Loan will be contingent on receiving 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.



OLD BUSINESS

Ms. Fadullon inquired if there was any old business for the Board. Ms. Fadullon recognized Mr. Ali and invited him to speak. Mr. Ali stated that prior to 2018, the Redevelopment Authority would post the full fact sheets and resolutions along with the agenda; however, at this time, only the agenda is being posted. Mr. Ali further expressed his concern with this in that the public cannot see

the specific information regarding any particular project. Mr. Ali asked if the Chair and Vice Chair would reconsider the current posting practices. Ms. Fadullon thanked Mr. Ali.



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 4:36 P.M.

SECRETARY TO THE BOARD



BOARD FACTSHEET

Meeting of November 13, 2019

Landscape Maintenance Services in Eastwick Section of Philadelphia
Approval of Amended Agreement for Landscape Maintenance
Services with Christopher Bunch, Individually and Doing Business
as Paving the Way Landscaping

NATURE OF TRANSACTION:

The approval of an Amended Agreement for Landscape Maintenance Services (the "Amendment") between the Philadelphia Redevelopment Authority (the "Authority") and Christopher Bunch, individually and doing business as Paving the Way Landscaping ("Provider"), to provide grounds maintenance in the Eastwick Section of Philadelphia. Pursuant to the Resolution No 2019-20, adopted March 13, 2019, the Authority and Provider entered into an Agreement for Landscape Maintenance Services (the "Original Agreement"). Authorization is now sought to amend the Original Agreement to add Twenty Thousand Dollars (\$20,000) to the Year 1 contract amount. The contract amounts for Year 2 and Year 3 will remain the same.

BACKGROUND:

On July 17, 2018, the Authority issued a Request for Proposals ("RFP") soliciting proposals from qualified landscaping firms for grounds maintenance in the Eastwick section of Philadelphia. All bids were due by August 17, 2018. The Authority received two (2) responses to the RFP. Provider was selected by the project review team.

	<i>Year 1</i>	<i>Year 1 (amended)</i>	<i>Year 2</i>	<i>Year 3</i>
Paving the Way Landscaping 615 Wynnewood Road Philadelphia, PA MBE Certified	\$180,000	\$200,000	\$189,000	\$198,450

The scheduled maintenance for Eastwick under the Original Agreement began in April 2019 and ran through October 2019 based upon the typical landscaping growth cycle. However, due to unusually heavy seasonal rain and storm events, the maintenance required additional cycles and additional services in the form of removing several fallen trees. The additional workload exhausted the funds available on the Original Agreement. Additional funds are required to address another three (3) trees on Authority property that fell onto a neighboring privately owned property.

Prepared By: Karanja Slaughter, Special Projects Coordinator

Reviewed By: Gregory Heller



BOARD FACTSHEET

Meeting of November 13, 2019

Agreement for Professional Services

AKRF, Inc.

NAME OF PROVIDER: AKRF, Inc. ("AKRF")

REQUEST: Approval of an Agreement for Professional Services between the Authority and AKRF to provide environmental consulting services.

AGREEMENT FOR PROFESSIONAL SERVICES TERMS AND CONDITIONS:

The Philadelphia Redevelopment Authority (the "Authority") issued a Request for Proposals ("RFP") dated August 15, 2019, seeking qualified providers to provide environmental consulting services. The Authority received six (6) proposals. AKRF was chosen to be the most responsive bidder as it best satisfied the selection criteria set forth in the RFP including, but not limited to, prior environmental testing knowledge and expertise, experience administering and reporting on Environmental Protection Agency ("EPA") grants, capacity and economic inclusion.

AKRF stated in its response to the RFP that they will be teaming with CHPlanning, Ltd (certified Women and Minority-owned Business Enterprise) and Brownfield Redevelopment Solutions Inc. (certified Women-owned Business Enterprise) for the proposed services. AKRF will have to complete and execute an Economic Opportunity Plan prior to execution of the Agreement for Professional Services.

Term: The term of the Agreement for Professional Services with AKRF is one (1) year, which term may be extended for three (3) additional one (1) year terms at the sole discretion of the Authority.

Scope of Services: The scope of services to be provided by AKRF is attached hereto as Exhibit "A."

Compensation: The maximum compensation for all services provided by AKRF shall not exceed Three Hundred Sixty Thousand Dollars (\$360,000) (the Brownfields Assessment Grant that was received by the Authority is in the amount of Three Hundred Sixty Thousand Dollars – a twenty percent (20%) contingency was also added). The hourly rates are attached hereto as Exhibit "B." Such rates will not be adjusted unless otherwise agreed to in writing between the Authority and AKRF.

Prepared By: Ryan Harmon
Reviewed By: Gregory Heller



BOARD FACTSHEET

Meeting of November 13, 2019

Certificate of Completion

1100-04 South Street including 602-06 S. 11th Street

NAME OF DEVELOPER/APPLICANT: 1100 South Street, LLC ("Redeveloper")

NATURE OF TRANSACTION: The Board is asked to authorize a Resolution authorizing the issuance of a Certificate of Completion for 1100-04 South Street including 602-606 S. 11th Street (the "Property"). The Authority conveyed the Property to the Redeveloper on November 21, 2006.

BACKGROUND: Through the Request for Proposals ("RFP") process, on February 1, 2006, the Authority entered into a Redevelopment Agreement (the "Agreement") with Killian Properties, LLC, for the development of a three-story mixed-use building which consisted of ground floor retail space along South Street, four (4) residential condominium units above the commercial space and two (2) townhouse style condo units along 11th Street (the "Project"). On October 18, 2006, the Authority entered into an Assignment Agreement with Killian Properties, LLC, to assign the development right to Redeveloper, which was a single purpose entity created by Killian Properties, LLC. The parcels were conveyed to Redeveloper on November 21, 2006 for \$550,000.

The construction of the Project was completed in accordance with the approved plans and there was one (1) consent to sell letter issued so the Redeveloper could sell a unit. To date, all the units have been sold and some more than once.

Following completion of the construction portion of the Project, the Authority was not able to obtain the required signoff from the City of Philadelphia's (the "City") Compliance Unit regarding the Economic Opportunity Plan ("EOP") compliance. The Redeveloper has since forwarded supporting documentation to confirm their actual performance and best faith efforts. Based on their submission, the Authority believes that the EOP requirements have been satisfied in substantial conformity with the Agreement.

Notwithstanding, Authority staff believes that there is still an issue with compliance regarding the Percent for Art requirements under the Agreement. Although approval is being sought from the Board to issue a Certificate of Completion for the Project, it is proposed that the Authority reserve all rights against Redeveloper to enforce the Percent for Art obligations required of Redeveloper under the Agreement.

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

Prepared by: Brian Romano
 Reviewed by: Angel Rodriguez



BOARD FACTSHEET

Meeting of November 13, 2019

Selection of Redeveloper

3601-3637 Haverford Avenue, 3603-3627 Mount Vernon Street,
622-624 N. 36th Street and 628-634 N. 36th Street

NAME OF DEVELOPER/APPLICANT: 3600 Haverford Avenue Associates, LP ("Developer")

Nature of Transaction: Selection of Developer for the construction of two phases of mixed-use development located within the Mantua Urban Renewal Area.

- Phase 1 consists of the construction of one hundred and twelve (112) residential units comprised of eighty (80) workforce housing units and thirty-two (32) market rate units with 31,145 square feet of commercial space. The Phase 1 portion will construct a five-story multifamily building with seventy-two (72) residential units above 21,145 square feet full-service market and 10,000 square feet of office space with two surface parking lots and ten (10) quadruplex townhomes with forty (40) residential units.
- Phase 2 consists of the construction of thirty-two (32) affordable rental units. Four (4) units will be for households at or below 20% Area Median Income ("AMI") and 28 units to households whose income is between 30% and 60% AMI. Eighteen (18) for-sale housing units will be targeted to families between 60% and 80% AMI. The Phase 2 portion will also include sixteen (16) for sale townhouses and two (2) owner occupied triplexes.

The units of housing for the project in Phase I and II total one hundred and sixty-six (166) units.

Legal Entity/Other Partners (if applicable): 3600 Haverford Avenue Associates, LP

- TLC Property GP, LLC – 50%
 - Charles Lomax – Manager
- GoldOller Ventures, LLC – 25%
 - Richard Oller – Founder and Chairman
 - Jeffrey Goldstein – Founder and President
- ZB 3600 Haverford Investor LLC – 25%
 - Robert Zuritsky – CEO
 - Joseph Zuritsky – Chairman
 - Parkway Corporation
- Mount Vernon Manor CDC – 51% of the 32 Tax Credit Unit in Phase 2
 - Michael Thorpe – Executive Director
- Lomax Real Estate Partners, LP.
 - Charles Lomax – Partner
 - Bennett Lomax – Partner
 - W. Thomas Lomax - Partner

Mailing Address: 200 Highpoint Drive, Suite 215, Chalfont, PA 18914

PROPERTY INFORMATION:

Description: 3601-3637 Haverford Avenue = 61,125 sq. ft.
 3603-3627 Mount Vernon Street = 43,281 sq. ft.
 622-624 N. 36th Street = 2,420 sq. ft.
 628-634 N. 36th Street = 3,840 sq. ft.

Zoning: CMX-2and RSA-5 **Use:** Mixed

Disposition Value: \$1,050,000.00

PRA requested competitive bids for this parcel of assembled lots on January 18, 2017 with no asking price. Upon the submission deadline in March 17, 2017, the developer was the sole bidder and its bid price determined the purchase price above. 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.

COMMENTS OR OTHER CONDITIONS:

Acquisition and commencement of construction of the proposed project is estimated to start in winter of 2020 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 submitted to the City as MBE – 18% and WBE – 7%.

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

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



BOARD FACTSHEET

Meeting of November 13, 2019

Small Landlord Loan Program

Approval of Non-Revolving Line of Credit Loan to Impact Loan Fund, Inc.

NAME OF BORROWER/APPLICANT: Impact Loan Fund, Inc. ("Borrower")

Nature of Transaction: The Board is requested to authorize a non-revolving line of credit loan to Borrower related to the *Small Landlord Loan Program* ("Program") in an amount not to exceed Three Hundred Eighty Thousand Dollars (\$380,000) (the "Authority Loan"). The proceeds of the Authority Loan shall be used for the purpose of providing loans ("SLLP Loans") and technical assistance to landlords located in the City of Philadelphia that own a total of ten (10) or fewer units which are in need of health and/or safety related repairs.

Background: In April 2018, The Philadelphia Redevelopment Authority ("Authority") received a grant in the amount of Four Hundred Thousand Dollars (\$400,000) from the Pennsylvania Housing Finance Agency's Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund. Per the terms of the grant agreement, Three Hundred Eighty Thousand Dollars (\$380,000) will be used to fund the Program, with the remainder of the grant to be used for administrative services. The purpose of the grant is to provide "safe and sanitary" dwellings to low- and moderate-income residents. A minimum of thirty percent (30%) of the grant must be used to assist households who earn at or below fifty percent (50%) of the Area Median Income ("AMI") and the remaining funds must be used to assist households who earn at or below one hundred percent (100%) AMI. The Program will be implemented as a 4-year pilot program in the target area of greater Kensington.

The Authority Loan will be issued to the Borrower to support the Program and compensate Borrower for the following services:

- Manually underwrite SLLP Loans and provide letters of pre-qualification to landlords who:
 - Own no more than ten (10) units of rental housing in their portfolios.
 - Intend to use Program funds to support repairs on properties located in the target area.
- Underwrite, originate and service SLLP Loans that reflect the following terms:
 - SLLP Loan amounts may range from Ten Thousand Dollars (\$10,000) to Twenty-Four Thousand Nine Hundred and Ninety-Nine Dollars (\$24,999) per project ("Project").
 - SLLP Loan terms may not exceed ten (10) years.
 - SLLP Loan interest rates may not exceed eight percent (8%) fixed rate unless written approval is provided by the Authority.

- Loan to Value ("LTV") ratios may not exceed eighty five percent (85%) based on internal desktop valuations carried out by Provider.
- Debt Service Coverage Ratios ("DSCR") may not fall below 1.15.
- SLLP Loans must be secured by the property being financed and may not exceed second position. Borrower may refinance senior debt.
- Draw periods may not exceed three (3) months without written consent from Borrower. Borrower may charge interest to landlords during the construction draw period.
- For every SLLP Loan provided by Borrower, Borrower must record a mortgage security instrument that includes an affordability restriction ("SLLP Rent Restriction") that restricts monthly rents to a rate that is affordable to tenants at or below 100% AMI. The Authority may request that Borrower audit the SLLP Loan units at any time.
- The sum of all associated loan transaction fees may not exceed fifteen percent (15%) of SLLP Loan principal and Borrower may require said fees be paid out of pocket.

Authority Loan: The material terms of the Authority Loan are as follows:

- **Amount:** Three Hundred Eighty Thousand Dollars (\$380,000)
- **Interest Rate:** 0%
- **Term:** The earlier of (i) fifteen (15) years, or (ii) the full prepayment or maturity of the last outstanding SLLP Loan issued by Borrower under the Small Landlord Loan Program, unless otherwise terminated in accordance with this Agreement, the Loan Agreement or the Note.
- **Repayment:** Except as set forth below, no repayment of principal of the Line of Credit will be required for four (4) years from the date of the Authority Loan ("Effective Date"). After that fourth anniversary of the Effective Date (the "Maturity Date"), any Authority Loan proceeds that have not been used to originate SLLP Loans shall be due and payable to the Authority within ninety (90) days following the Maturity Date. Upon maturity or prepayment of any SLLP Loan, the entire principal amount of such SLLP Loan must be paid to the Authority within ninety (90) days of such maturity or prepayment to pay down the Authority Loan. Following the Maturity Date, the Authority Loan shall be immediately due and payable to the Authority. Borrower is entitled to retain all interest accrued on any SLLP Loans originated by Borrower.

- **Early Termination of Authority Loan.** The Authority Loan may be terminated at any time upon thirty (30) days' notice, with the consent of the Authority and Borrower, so long as no SLLP Loans are outstanding and all principal from the Authority Loan has been repaid. Further, if no SLLP Loans are originated following the first anniversary of the Effective Date, the Authority may terminate the Authority Loan and Borrower must repay all principal under the Authority Loan within thirty (30) business days.

Proposed Resolution is attached.

Prepared by: Ali Mooney
Reviewed by: Ryan Harmon



BOARD FACTSHEET

Meeting of November 13, 2019

McPherson Square Pilot Program

Approval of Non-Revolving Line of Credit Loan to Impact Services Corporation

NAME OF BORROWER/APPLICANT: Impact Services Corporation ("Borrower").

Nature of Transaction: The Board is requested to authorize a loan in an amount not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000) ("Authority Loan") for the *McPherson Square Pilot Program* ("Program") to revitalize properties and connect qualified families with affordable rental and/or homeownership opportunities in the Program area which is bound by Westmoreland Street to the North, Lehigh Avenue to the South, Kensington Avenue to the East and North 2nd Street to the West (the "Program Area"), in the City of Philadelphia (the "City").

Background: The Philadelphia Redevelopment Authority (the "Authority") issued a Request for Qualifications dated January 18, 2018 (the "Request for Qualifications") seeking a qualified non-profit affordable housing organization to independently (without assistance from the public sector) identify and acquire properties (each, a "Property," and together, the "Properties") in the Program Area and to ultimately rent or sell the units located on the Properties (each, a "Unit," and together, the "Units") to tenants or purchasers (collectively, "Income Eligible Purchasers") who are income-certified by the Authority prior to leasing or selling Units and who have a household income no greater than sixty percent (60%) of Area Median Income for Philadelphia-Camden-Wilmington, PA, NJ, DE, MD MSA ("AMI").

Prior to the date of purchase of any Property, such Property must be fully renovated, move-in ready and have received a Certificate of Occupancy from the City's Department of Licenses and Inspections. All Properties shall be located in the Program Area.

Authority Loan: The material terms of the Authority Loan are as follows:

- **Loan Amount:** Not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000), funded with proceeds from the Housing Trust Fund.
- **Loan Term and Maturity Date:** All outstanding principal and interest due to the Authority within one hundred eighty (180) months following the closing date of the Authority Loan ("Maturity Date").
- **Interest Rate:** Interest on the outstanding principal amount of the Authority Loan, only, shall be due and payable on the first day of each calendar year during the Term, with interest at the fixed rate of One Percent (1%) per annum, followed by one final payment of the remaining principal balance plus all accrued interest due upon the Maturity Date.
- **Draws and Use of Proceeds:** Borrowers may draw down Authority Loan funds as a Property or Properties become available for purchase, in accordance with the following:

- No single draw may be less than Fifty Thousand Dollars (\$50,000);
 - Draws of Authority Loan proceeds to be used for any Property shall be limited to ninety-five percent (95%) of the purchase price;
 - The purchase price for any Property is not to exceed One Hundred Fifty Percent (150%) Loan-to-Value based on an appraisal commissioned by the Authority;
 - Authority Loan proceeds may be used only to purchase the Properties and for related closing costs (the "Property Acquisition Cost"), which include title insurance costs, recording fees, and transfer tax costs as approved by the Authority. Any such purchases must be made through an arm's length transaction between two (2) independently controlled, unrelated organizations, corporations, or legal entities;
 - Authority Loan proceeds **shall not** be used for construction, renovation, or any construction-related activities;
 - Borrower may rent or sell the Units located on each Property to Income Eligible Purchasers who are income-certified by the Authority prior to leasing or selling Units and who have a household income no greater than 60% of AMI. Units shall be leased or sold at rent levels and purchase prices that are affordable to families with household incomes no greater than 60% of AMI;
 - Upon the sale of a Unit or Units at a price that is affordable to Income Eligible Purchasers ("Sale Price"), the proceeds of such sale up to an amount equal to the Property Acquisition Cost must be repaid to the Authority to pay down the outstanding principal balance of the Authority Loan;
 - If Borrower sells a Unit to an Income Eligible Purchaser for a Sale Price that is more than the Property Acquisition Cost, Borrower may retain any sale proceeds that exceed the Property Acquisition Price up to an amount that is fifteen percent (15%) above the Property Acquisition Cost ("Borrower Return"). Any sale proceeds that exceed fifteen percent (15%) above the Property Acquisition Cost shall be paid to the Authority and **shall not** be credited against the principal or interest due to the Authority under the Authority Loan and **shall not** be deemed to be a repayment of the Authority Loan in any respect;
 - If Borrower sells a Unit to an Income Eligible Purchaser for a Sale Price that is less than market value, based on an independent appraisal or other valuation methodology approved by the Authority ("Valuation"), then the Authority may opt to provide the Income Eligible Purchaser with a purchase money mortgage, self-amortizing soft-second mortgage, or any similar instrument intended to maintain affordability of the Unit or Units, for an amount not to exceed the difference between market value and the Sale Price; and
 - No mortgages, liens, or affordability restrictions may be placed on Units by Borrower without receiving written consent from the Authority prior to closing.
- **Collateral:**
 - First Lien encumbering the Property or Properties, all improvements made and all equipment, furniture, fixtures, and materials to be incorporated into the improvements;
 - First-priority assignment of leases and rents.

- **Restrictive Covenant:** For every Property purchased by Borrower using Authority Loan Proceeds, a Declaration of Restrictive Covenants encumbering the Property or Properties ("Property Declaration") shall be recorded which includes the requirement that Borrower rent or sell the Units constructed on each Property to tenants or purchasers who are income-certified by the Authority and who have a household income no greater than sixty percent (60%) of AMI and that the Units constructed on each Property be leased or sold at rent levels and purchase prices that are affordable to families with household incomes no greater than sixty percent (60%) of AMI.

Proposed Resolution is attached.

Prepared by: Ali Mooney
Reviewed by: Ryan Harmon