

PHILADELPHIA REDEVELOPMENT AUTHORITY

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

**BOARD MEETING
WEDNESDAY, JULY 11, 2018**

Open Session – 4:00 P.M.

A G E N D A

APPROVAL OF BOARD MINUTES

- (a) Meeting of June 13, 2018

I. EXECUTIVE DIRECTOR'S REPORT

II. ADMINISTRATIVE

- (a) 400 North Broad Street
IEI Group, Ltd.
Furniture, Fixtures and Equipment Service
Professional Services Agreement
- (b) Graboyes Commercial Window Company
Purchase and Installation of New Windows for
Various Public Facilities
Master Construction Contract
- (c) Philadelphia Housing Development Corporation
1153 S. Sydenham Street
Release of Deed Covenants
- (d) Philadelphia Land Bank
5423-27 Lena Street
**Purchase and Management Agreement with
Philadelphia Land Bank**
- (e) Housing Preservation Loan Program
**Professional Service Agreements with Lenders and
Program Intermediaries; Service Agreement
with the City of Philadelphia**

AGENDA

Board Meeting of July 11, 2018

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III. DEVELOPMENT

- (a) 45th & Sansom Urban Renewal Area
125-135 S 46th Street Associates, LP
125 and 127-29 South 46th Street and
133-135 South 46 Street
Amendatory Agreement

- (b) Eastwick Urban Renewal Area
7411 Holstein Ave LLC
Eastwick Stage A – Parcel E
Vicinity of S. 76th Street & Holstein Avenue
**Assignment of Development Rights – Amending and
Restating Resolution No. 2018-21, Adopted
March 14, 2018**

IV. REAL ESTATE

Vacant Property Review Committee
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, June 13, 2018, commencing at 4:11 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; Rob Dubow, Treasurer; Duane Bumb, Secretary; Maria Duque-Buckley, 2nd Vice Chair and Assistant Secretary.

The following member of the Board of Directors was not present: James Cuorato, Vice Chair.

The following members of the Authority staff were present: Gregory Heller, Ryan D. Harmon, Esquire, Mary Fogg, Larry Padilla, Karanja Slaughter, Mark Nekoranik, Jane Allen and Elizabeth Bonaccorso.

Also in attendance: Ellen Lissy Rosenberg, The Goldenberg Group; Colin Jones, The Goldenberg Group; Zach Frankel, Frankel Enterprises; Connie Winters.



ANNOUNCEMENTS

None.



MINUTES

Ms. Fadullon called for a motion to approve the minutes of the Board meeting of May 9, 2018.

Mr. Dubow abstained from voting because he was not present at the May 9, 2018 meeting.

Upon motion made and duly seconded, the minutes of May 9, 2018 were approved.



EXECUTIVE DIRECTOR'S REPORT

Mr. Heller stated that there are several items he wanted to present. First, Mr. Heller stated that the Authority is excited to be working with the University of Pennsylvania on a study of the effects of abandoned housing remediation on substance abuse outcomes and violence. The Authority will be installing doors and windows on up to eighty-three (83) publicly and privately owned abandoned properties as part of this study, which is funded in part by a grant from US National Institutes of Health. Mr. Heller stated this study could have important findings relating to neighborhood wellbeing, safety and blight removal.

Next, Mr. Heller stated that the Authority will be amending its Fee Schedule to include a new fee for unauthorized changes to plans from those plans submitted with redevelopment agreements or development agreements (i.e., where completed, as-built project plans materially differ from those submitted with the redevelopment agreement or development agreement. Mr. Heller stated the amount of fee is 5% of total project construction hard costs for those projects where such costs are less than \$500,000; 10% of total project construction hard costs where such costs equal to or exceed \$500,000 (exceptions may be administratively made if there is no public impact because of the unauthorized plan change or if there is no impact on value of project as completed). The fee will be charged prior to issuance of the certificate of completion.

Next, Mr. Heller stated in May the Harmon Group held a ribbon cutting event for the Alexander, a 483,000 square feet luxury residential building at 1601 Vine Street built on land acquired from the Authority. The building features 264 rental apartments, ground floor retail, and underground parking. The Percent for Art project at the Alexander was by Los Angeles-based artist Cliff Garten. The piece is an artist-designed environment in the walkway and central court, and includes all artist-designed elements, including patterned paving, sculptural benches, storm water swales, landscaping, luminaries, and fountain elements. The budget for the art project was \$3,000,000, the largest Percent for Art project to-date.

Next, Mr. Heller stated that the Authority has three (3) open Requests for Proposals ("RFP's") for the following projects: (1) the Authority is seeking contractors for the purchase and installation of windows at various City of Philadelphia Police and Fire stations for a one-year Master Professional Services Contract. This RFP includes scoring for diversity and inclusion and closes on June 21, 2018; (2) the Authority is seeking landscaping companies for mowing and maintenance of 36 acres on the property known as the Logan Triangle. Included in this RFP is scoring criteria for diversity and inclusion, local hiring and workforce. This RFP closes July 9, 2018; (3) the Authority is soliciting proposals from nonprofit affordable housing developers for development of 31 properties totaling approximately 54,000 square feet on the 4900 block of W. Girard Avenue as affordable homeownership. Public financing is available and offered with this RFP. This RFP closes August 1, 2018.

Finally, Mr. Heller stated that all RFPs are listed on Authority's website and that anyone can join the Authority's e-mail list which sends out notifications any time a new RFP is posted.



ADMINISTRATIVE

Mr. Harmon presented "Item II (a) – Approval of Subgrant Agreement with PIDC Community Capital" in substance consistent with the attached Fact Sheet hereto.

Additional Comments and Discussion

Mr. Heller informed the members of the Board that an EOP was previously approved for this project and that prevailing wage requirements will apply for the project.

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. 2018-46

RESOLUTION AUTHORIZING APPROVAL OF A SUBGRANT AGREEMENT WITH PIDC COMMUNITY CAPITAL, AS SUBGRANTOR, AND THE PHILADELPHIA REDEVELOPMENT AUTHORITY, AS SUBGRANTEE, IN THE AMOUNT OF FIVE MILLION DOLLARS (\$5,000,000), TO FINANCE THE DEVELOPMENT OF FIFTY (50) AFFORDABLE HOUSING UNITS AT 3701 N. BROAD STREET

BE IT RESOLVED, by the Philadelphia Redevelopment Authority, that authorization is hereby given to enter into a Subgrant Agreement with PIDC Community Capital ("PIDCCC"), wherein PIDCCC will provide funding to the Philadelphia Redevelopment Authority ("Authority"), as subgrantee, in the amount of Five Million Dollars (\$5,000,000) ("Grant Funds") to finance the development of fifty (50) housing units restricted to persons at 60% of area median income, which will be a component of a larger mixed-income development located at 3701 N. Broad Street, known as the Beury Building (the "Project").

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. Bumb, Ms. Duque-Buckley and Mr. Dubow.



Mr. Harmon presented "Item II (b) – Approval of Guaranty Agreement with Reinvestment Fund, Inc., Credit Enhancement Program" in substance consistent with the attached Fact Sheet hereto.

Additional Comments and Discussion

Mr. Heller stated that this an exciting project and will bring additional workforce housing units to the City. Mr. Heller stated that no cash subsidy is involved, the Authority will simply act as a guarantor for a portion of the loan. Mr. Heller thanked the developer and stated the Authority is looking forward to being a part of this creative partnership.

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. 2018-47

RESOLUTION AUTHORIZING APPROVAL OF A GUARANTY AGREEMENT WITH THE REINVESTMENT FUND A/K/A REINVESTMENT FUND, INC., AS LENDER, AND THE PHILADELPHIA REDEVELOPMENT AUTHORITY, AS GUARANTOR, WHEREIN THE AUTHORITY AGREES TO GUARANTY REPAYMENT OF A PORTION OF A LOAN GIVEN BY THE REINVESTMENT FUND TO WP HOMES LLC AS PART OF THE PHILADELPHIA REDEVELOPMENT AUTHORITY'S CREDIT ENHANCEMENT PROGRAM FOR WORKFORCE HOUSING

WHEREAS, The Reinvestment Fund a/k/a Reinvestment Fund, Inc. ("TRF") has requested that the Philadelphia Redevelopment Authority ("Authority"), as guarantor, enter into a Guaranty Agreement with TRF, as lender, wherein the Authority will guaranty a portion of a loan given by TRF to WP Homes LLC ("WP Homes") in an amount not to exceed Two Million Eight Hundred Thousand Dollars (\$2,800,000) (the "Loan"), as part of the Authority's workforce housing credit enhancement program (the "CE Program"); and

WHEREAS, the Loan will be used by WP Homes to construct and develop twenty-six single-family, workforce housing units on fifteen (15) scattered site properties located in the West Poplar neighborhood of Philadelphia (the "Project").

NOW THEREFORE, BE IT RESOLVED, by the Philadelphia Redevelopment Authority, that authorization is hereby given to enter into a Guaranty Agreement wherein the Authority will act as guarantor of a portion of the Loan in an amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000) ("Guaranty Amount"), on the following conditions:

- 1) The Authority will charge a guaranty fee in the amount of 150 BPS on the Guaranty Amount ("Guaranty Fee"), which is payable at the time of settlement;
- 2) The Guaranty Agreement will be terminated upon full repayment of the Loan; and
- 3) The Guaranty Agreement may be extended for an additional twelve (12) months at an additional cost of 50 BPS on the Guaranty Amount.

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. Bumb, Ms. Duque-Buckley and Mr. Dubow.



Mr. Harmon presented "Item II (c) – Cooperation Agreement with City of Philadelphia – Master Agreement with FUSE Corps for the Placement of Fuse Fellows" in substance consistent with the attached Fact Sheet hereto.

Additional Comments and Discussion

Mr. Heller advised the Board that the Authority is not receiving an administrative fee. Ms. Fadullon stated for the record the resolution would be modified to remove the clause referring to the Administrative fee.

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. 2018-48

RESOLUTION AUTHORIZING A COOPERATION AGREEMENT BETWEEN THE PHILADELPHIA REDEVELOPMENT AUTHORITY AND THE CITY OF PHILADELPHIA

WHEREAS, the City of Philadelphia (the "City") has requested the Philadelphia Redevelopment Authority (the "Authority") to act as the City's agent in negotiating and entering into a Master Agreement ("Master Agreement") with FUSE Corps ("FUSE"), a nonprofit

organization that operates an executive-level fellowship program with a mission to enable local government to more effectively address the most pressing challenges facing urban communities;

WHEREAS, FUSE recruits, supports, and places individuals (each, a "Fellow", and together, the "Fellows") enrolled in the FUSE Fellowship program (the "Program") with governmental entities for twelve (12) month fellowships;

WHEREAS, the Authority is willing to provide its professional assistance to the City and act as agent for the City in negotiating and entering into the Master Agreement with FUSE wherein a structure will be provided for FUSE to provide the City with Fellows as needed during the term of the Master Agreement and the Authority will agree to perform such other services may be requested by the City in relation to the Master Agreement; and

WHEREAS, the City and the Redevelopment Authority have negotiated a Cooperation Agreement which states all terms, conditions, obligations and responsibilities of the parties when providing such services.

NOW THEREFORE, BE IT RESOLVED by the Philadelphia Redevelopment Authority that the Redevelopment Authority is authorized to execute a Cooperation Agreement with the City whereby the Redevelopment Authority will act as the City's agent in negotiating and entering into a Master Agreement ("Master Agreement") with FUSE Corps ("FUSE") as described above.

FURTHER RESOLVING, that the Executive Director is authorized to execute a Cooperation Agreement with the City and all further instruments, documents and agreements necessary to effectuate the purposes of this Resolution, which Cooperation Agreement, instruments, documents and agreements shall contain such terms and conditions as the Executive Director and General Counsel shall deem necessary or appropriate to protect the interests of the Authority.

FURTHER 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. Bumb, Ms. Duque-Buckley and Mr. Dubow.



Mr. Harmon presented "Item II (d) – Consent to Refinance Loans and Leasehold Mortgages with Freire Charter School" in substance consistent with the attached Fact Sheet hereto.

Additional Comments and Discussion

Mr. Heller stated that he and Mr. Padilla took a tour of Freire Charter Middle School and High School. Mr. Heller further stated that terrific work is going on at the schools and they appear to be an asset to the community.

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. 2018-49

CENTER CITY REDEVELOPMENT AREA, RESOLUTION CONSENTING TO LOANS AND LEASEHOLD MORTGAGES BY FREIRE CHARTER SCHOOL FOUNDATION RE: PORTIONS OF 2025-29 CHESTNUT STREET (FORMER MID-CITY YWCA)

WHEREAS, by Lease dated October 15, 2003 (the "Lease"), the Philadelphia Redevelopment Authority (the "Authority") leased to Freire Charter School, L.P. ("FCS LP") a portion of the building located at 2025-29 Chestnut Street (the "Property");

WHEREAS, by Assignment and Assumption of Lessee's Interest in Lease executed and delivered in October, 2010 (the "Lease Assignment"), FCS LP assigned all of its rights under the Lease to Freire Charter School Foundation (the "Tenant"), and Tenant assumed all of FCS LP's obligations under the Lease, in each case arising from and after the date of the Assignment;

WHEREAS, the Lease requires that the Authority consent to mortgages placed on the leasehold premises relating to the Property;

WHEREAS, pursuant to a proposed Loan and Security Agreement (the "2018 High School Loan Agreement"), Reinvestment Fund, Inc. ("Lender") has agreed to make a term loan to Tenant in the maximum principal amount of \$2,700,000 (the "2018 High School Loan");

WHEREAS, the 2018 High School Loan is proposed to be secured by, among other things, a first priority leasehold mortgage and security agreement (the "2018 High School Mortgage"), encumbering Tenant's leasehold interest in the Property, made by Tenant, as mortgagor, for the benefit of Lender;

WHEREAS, pursuant to a proposed Loan and Security Agreement (the "2018 Middle School Loan Agreement"), Lender has agreed to make a term loan to Freire Charter School ("Subtenant") in the maximum principal amount of \$1,237,500 (the "2018 Middle School Loan")

to refinance the 2012 Middle School Loan and to pay certain closing costs in connection with the refinancing to enable Subtenant to continue operating Subtenant's middle school campus located at 1026-1044 Market Street, Philadelphia, Pennsylvania (the "Middle School Property");

WHEREAS, the 2018 Middle School Loan is proposed to be secured by, among other things, a Guaranty (the "2018 Middle School Guaranty"), executed by Tenant, as guarantor and surety, to Lender, pursuant to which Tenant will agree to guarantee and become surety for Subtenant's indebtedness under the 2018 Middle School Loan

WHEREAS, the 2018 Middle School Guaranty is proposed to be secured by a second priority leasehold mortgage and security agreement (the "2018 Middle School Mortgage"), encumbering Tenant's leasehold interest in the Property, made by Tenant, as mortgagor, for the benefit of Lender;

WHEREAS, Tenant has requested that the Authority consent to (a) the 2018 High School Loan, and, in particular, to the 2018 High School Mortgage, and (b) the 2018 Middle School Loan, and, in particular, to the 2018 Middle School Mortgage;

WHEREAS, Subtenant and Tenant have also requested that the Authority consent to the amendment and restatement of that certain Amended and Restated Agreement and Amendment to Lease, Sublease and Mortgages delivered as of November 30, 2012 (the "Initial PRA Agreement"), in its entirety, the terms of which will include, among other things, (i) the Authority's affirmative consent to the 2018 High School Loan and the 2018 High School Mortgage, and the 2018 Middle School Loan and the 2018 Middle School Mortgage, and all associated documents; (ii) an acknowledgement that the Lease has not been amended except as provided above and that the Lease is not currently in default; and (iii) a continuation of the option (the "Option") granting the Authority, among other things, the right to purchase the 2018 High School Mortgage and/or the 2018 Middle School Mortgage in the event of Tenant's default thereunder; and

WHEREAS, the Authority has carefully considered the Tenant's and Subtenant's requests.

NOW, THEREFORE, BE IT RESOLVED by the Philadelphia Redevelopment Authority, that:

- 1) consent to (a) the 2018 High School Loan, and, in particular, to the 2018 High School Mortgage, and (b) the 2018 Middle School Loan, and, in particular, to the 2018 Middle School Mortgage, is hereby granted;
- 2) consent to the amendment and restatement of the Initial PRA Agreement, in its entirety, based on the terms set forth above and in the attached Fact Sheet, his hereby granted; and
- 3) although not a precondition to approval of this Resolution, Authority staff inspected the Property and provided Tenant with a list of conditions requiring

repair at the Property and Tenant has agreed to address and repair those conditions within a reasonable time frame.

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. Bumb, Ms. Duque-Buckley and Mr. Dubow.



DEVELOPMENT

Mr. Harmon presented "Item III – Selection of Redeveloper, Logan West Associates, L.P." in substance consistent with the attached Fact Sheet hereto.

Additional Comments and Discussion

Mr. Heller stated that this is an unusual project but that staff believes that the negotiated terms of the Redevelopment Agreement are fair for the Authority, redeveloper and the public.

Mr. Heller stated that Mr. Padilla and he approved this project to move forward even with the lack of detailed plans at this point; however, Phase I may need to come back for plan amendments, and each subsequent phase will need to come before the Board and City Council for approval of plans.

Mr. Heller advised the Board that there will be ongoing community fee during the duration of the Redevelopment Agreement and ten (10) years after.

Mr. Heller acknowledged that the Logan Triangle has been vacant for a long time and significant dumping has been taking place. Mr. Heller stated that the goal is to move forward quickly and responsibly to bring this parcel back to an active use.

Mr. Dubow asked about the financing for the project. Mr. Heller replied that representatives from the developer were present to discuss the financing issues. Colin Jones from the Goldenberg Group introduced himself and stated that although the budget presented was correct in stating that the project had been awarded Six Million Dollars (\$6,000,000) in Pennsylvania Multimodal Transportation Funds, only One Million Dollars (\$1,000,000) of that is being

earmarked for Phase I. He explained that the developer hopes to obtain the other Five Million Dollars (\$5,000,000) through a RACP award.

Mr. Jones stated that the developer is working to secure financing consisting of private equity, other Pennsylvania Multimodal Transportation Fund grants and other public funding. Also, the developer anticipates seeking federal funding for future phases of the project.

Ms. Fadullon asked if the financing is in place for Phase I. Kenny Holdsman from Philadelphia Youth Basketball, Inc. ("PYB"), responded that they have begun raising funds and at this time have about One Million Five Hundred Thousand Dollars (\$1,500,000) secured. Ms. Fadullon replied that the total amount of this project is approximately Twenty-Five Million Dollars (\$25,000,000), with nearly all of that still needing to be raised. Mr. Holdsman stated that this Board's approval along with the backing of the Goldenberg Group would enable them to acquire private donor donations to raise the remaining dollars going forward. He stated that it is difficult to raise funds for a project without site control or a clear timeline for delivery.

Mr. Bumb asked about the public financing. Mr. Holdsman stated that PYB would apply for new markets tax credits as well as other federal dollars.

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. 2018-50

RESOLUTION SELECTING LOGAN WEST ASSOCIATES, L.P. AS REDEVELOPER OF THAT CERTAIN LAND BOUNDED BY NORTH 7TH STREET, LOUDON STREET, NORTH 11TH STREET AND ROOSEVELT BOULEVARD IN THE LOGAN SECTION OF THE CITY OF PHILADELPHIA, IN THE LOGAN REDEVELOPMENT AREA, LOGAN URBAN RENEWAL AREA, AND AUTHORIZING CERTAIN OTHER ASSIGNMENTS OF AND MODIFICATIONS IN THE REDEVELOPMENT CONTRACT

BE IT RESOLVED, by the Philadelphia Redevelopment Authority, that Logan West Associates, L.P., is hereby selected as Redeveloper of that Certain Land Bounded by North 7th Street, Loudon Street, North 11th Street and Roosevelt Boulevard in the Logan Section of the City of Philadelphia, located within the Logan Redevelopment Area, Logan Urban Renewal Area, and approval is hereby given to the Redevelopment Contract, upon terms and conditions substantially in conformance with the Fact Sheet presented to the Board, and the proposed method of disposition as most appropriate and prudent under the law and circumstances; approving a disposition price of One Dollar (\$1.00); 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.

Board Action

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



HOUSING FINANCE / NSP

Mr. Nekoranik presented "Item IV – Non-Recourse Construction/Permanent Loan with Philadelphia Housing Authority" in substance consistent with the attached Fact Sheet hereto.

Board Action

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

RESOLUTION NO. 2018-51

RESOLUTION AUTHORIZING THE AUTHORITY TO ENTER INTO A NON-RECOURSE CONSTRUCTION/PERMANENT LOAN AGREEMENT WITH NORTH CENTRAL CNI PHASE III LP IN THE AMOUNT UP TO \$7,000,000

NOW THEREFORE, BE IT RESOLVED, by the Philadelphia Redevelopment Authority, ("Authority") that the Authority is authorized to enter into non-recourse Construction/Permanent Loan Agreement with North Central CNI Phase III LP under terms and conditions as follows:

1. The Authority is providing a construction/permanent loan in the amount of \$7,000,000 ("Authority Loan"). The proceeds of the Authority Loan will be used to assist in the new construction of forty-two (42) affordable rental units located at 2000 N. 11th Street in the North Central neighborhood of Philadelphia (the "Property"). Upon completion, the units will target households at or below 60% of Area Median Income.
2. The term of the Authority Loan will be for up to forty-three (43) years at 0% interest from the date of the Authority Loan closing. During the Authority Loan

term, no principal or interest will be required to be paid. The entire balance will be due and payable upon the 43rd anniversary of the Authority Loan closing.

3. The Authority Loan will be secured by a second lien position on the leasehold interest in the Property behind the construction loan financing and permanent financing provided by Wells Fargo Bank.
4. Disbursement of Authority Loan proceeds will be contingent upon the following:
 - i. All necessary Authority approvals from various departments.
 - ii. Satisfactory tax status certification issued on 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. Bumb, Ms. Duque-Buckley and Mr. Dubow.



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



ADJOURNMENT

There being no further business to come before the Board, Ms. Fadullon declared the meeting adjourned at 4:56 P.M.

SECRETARY TO THE BOARD


BOARD FACTSHEET

Meeting of June 13, 2018

Approval of Subgrant Agreement with PIDC Community Capital

NAME OF SUBGRANTOR: PIDC Community Capital

Subgrant Amount: \$5,000,000

Nature of Transaction: Approval to enter into a Subgrant Agreement with PIDC Community Capital ("PIDCCC"), as subgrantor, wherein PIDCCC will provide funding to the Philadelphia Redevelopment Authority ("Authority"), as subgrantee, in the amount of Five Million Dollars (\$5,000,000) ("Grant Funds") to finance the development of fifty (50) housing units restricted to persons at 60% of area median income, which will be a component of a larger mixed-income development located at 3701 N. Broad Street, known as the Beury Building (the "Project").

History: PIDCCC, as grantee, executed a Grant Agreement ("Grant Agreement"), dated as of December 16, 2016, with Goldman, Sachs & Co. ("Goldman"), pursuant to which Goldman granted the Grant Funds to PIDCCC to disburse to the developer of the Project.

The Authority is also involved in the Project in that the Authority intends to provide additional financing (other than the Grant Funds) for the Project in the approximate amount of Two Million Dollars (\$2,000,000) ("Authority Loan"). Because of the Authority Loan, the Authority will have various monitoring obligations relative to the Project.

Goldman, PIDCCC and the Authority have agreed that it would be in the best interest of all parties to have PIDCCC subgrant the Grant Funds to the Authority to loan/disburse the Grant Funds to the developer of the Project and monitor the status of the Project to completion as the Authority will also have monitoring obligations on the Project due to the Authority Loan.

The Authority shall be entitled to charge a mutually agreeable fee to provide and administer the loan of the Grant Funds to the developer of the Project, which fee shall not exceed .05% of the Grant Funds.

Also, because of the Authority Loan, Economic Opportunity Plan ("EOP") requirements/obligations and prevailing wage requirements/obligations are already attached to the Project.

Proposed Resolution is attached.

Prepared by: Ryan Harmon

Reviewed by: Gregory Heller



BOARD FACTSHEET

Meeting of June 13, 2018

Approval of Guaranty Agreement with The Reinvestment Fund
a/k/a Reinvestment Fund, Inc.
Credit Enhancement Program

NAME OF LENDER: The Reinvestment Fund a/k/a Reinvestment Fund, Inc.

NAME OF BORROWER: WP Homes LLC

NAME OF GUARANTOR: Philadelphia Redevelopment Authority

Guaranty Amount: \$250,000

Nature of Transaction: Approval to enter into a Guaranty Agreement with The Reinvestment Fund a/k/a Reinvestment Fund, Inc. ("TRF"), as lender, wherein the Philadelphia Redevelopment Authority ("Authority") will guaranty a portion of a loan given by TRF to WP Homes LLC ("WP Homes") in an amount not to exceed Two Million Eight Hundred Thousand Dollars (\$2,800,000) (the "Loan"). The Loan will be used by WP Homes to construct and develop twenty-six single-family, workforce housing units on fifteen (15) scattered site properties located in the West Poplar neighborhood of Philadelphia (the "Project"). The term of Loan will not exceed twenty-four (24) months and will have an interest rate at the 30-day LIBOR rate, plus 525 basis points ("BPS") (the rate as of March, 2018, was 7.06%).

If authorized, the Authority will act as guarantor of a portion of the Loan in an amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000) ("Guaranty Amount"). The Authority will charge a guaranty fee in the amount of 150 BPS on the Guaranty Amount ("Guaranty Fee"), which is payable at the time of settlement. The Guaranty Agreement will be terminated upon full repayment of the Loan. The Guaranty Agreement may be extended for an additional twelve (12) months at an additional cost of 50 BPS on the Guaranty Amount.

History: The Workforce Housing ("WFH") Program within the City of Philadelphia Department of Planning and Development seeks to promote housing affordable to middle-income households. The Philadelphia Land Bank released several competitive Requests for Proposals ("RFPs") seeking developers to build WFH. Each RFP is in a neighborhood with appreciating housing and residential property values.

To encourage financial institutions to provide affordable financing to developers participating in the WFH program, and especially to support smaller, locally owned, minority-owned and women-owned developers, the Authority offers a

Credit Enhancement ("CE") for secured WFH construction loans. The Authority's CE facility provides a twenty-five percent (25%) guaranty (such guaranty not to exceed Two Hundred Fifty Thousand Dollars (\$250,000) per WFH project) directly to the financial institution on secured construction loans made to developers selected through the Land Bank's WFH RFPs. The CE facility is essentially a letter of credit to reduce the financial institution's exposure. In the event of default, the CE facility serves as a loss fund after all secured assets have been liquidated at a loss and the financial institution can demonstrate the effect of such loss. All developers selected through the Land Bank's WFH RFPs are eligible to take advantage of the CE facility.

WP Homes submitted an RFP and was selected as developer of the Project by the Philadelphia Land Bank ("Land Bank") at the Land Bank's November 19, 2017 Board meeting.

Thereafter, on March 16, 2018, TRF and WP Homes submitted a Credit Enhancement for Workhouse Housing – Application ("CE Application"), requesting that the Authority act as guarantor of a portion of the Loan in an amount equal to the Guaranty Amount.

Proposed Resolution is attached.

Prepared by: Ryan Harmon

Reviewed by: Gregory Heller

**BOARD FACTSHEET**

Meeting of June 13, 2018

Cooperation Agreement

City of Philadelphia – Securing, as agent for the City of Philadelphia, a Master Agreement with FUSE Corps for the Placement of Fuse Fellows in the City

NAME OF DEVELOPER/APPLICANT: City of Philadelphia (the "City")

Nature of Transaction: Approval of a Cooperation Agreement between the Philadelphia Redevelopment Authority ("Authority") and the City which will authorize the Authority to act as agent for the City in negotiating and entering into a Master Agreement ("Master Agreement") with FUSE Corps ("FUSE"), a nonprofit organization that operates an executive-level fellowship program with a mission to enable local government to more effectively address the most pressing challenges facing urban communities. FUSE recruits, supports, and places individuals (each, a "Fellow", and together, the "Fellows") enrolled in the FUSE Fellowship program (the "Program") with governmental entities for twelve (12) month fellowships.

The City is seeking the placement of two (2) Fellows immediately. The first Fellow is being sought to assist the City with developing a framework for the City-wide redevelopment of vacant properties (the "Vacant Property Fellow"). The Second Fellow is being sought to assist the City with developing a framework to better integrate the existing social services network with the criminal justice system (the "Equity and Justice Fellow").

The execution of a Master Agreement will permit the City to request additional Fellows as needed throughout the term of the Master Agreement.

COOPERATION AGREEMENT SERVICES:

The Authority, as agent for the City, will negotiate and enter into the Master Agreement with FUSE wherein a structure will be provided for FUSE to provide the City with Fellows as needed during the term of the Master Agreement. The Authority will act as agent the City with respect to the oversight of the Master Agreement and may perform other services may be requested by the City. The City will be responsible for payment of all costs and claims related to the services provided under the Cooperation Agreement and will pay the Authority an administrative fee for its services.

Proposed Resolution attached.

Prepared by: Ryan Harmon

Reviewed by: Gregory Heller


BOARD FACTSHEET

Meeting of June 13, 2018

Consent to Refinance Loans and Leasehold Mortgages

LENDER: Reinvestment Fund, Inc. ("Lender")

TENANT: Freire Charter School Foundation ("Tenant"), a Pennsylvania nonprofit corporation

SUBTENANT: Freire Charter School ("Subtenant"), a Pennsylvania nonprofit corporation

PROPERTY: 2025-29 Chestnut Street, Philadelphia, Pennsylvania (the "Property")

HISTORY:

Lease and Assignment of Lease: By Lease dated October 15, 2003 (the "Lease"), the Philadelphia Redevelopment Authority (the "Authority") leased to Freire Charter School, L.P. ("FCS LP") a portion of the building located on the Property. By Assignment and Assumption of Lessee's Interest in Lease executed and delivered in October, 2010 (the "Lease Assignment"), FCS LP assigned all of its rights under the Lease to Tenant, and Tenant assumed all of FCS LP's obligations under the Lease, in each case arising from and after the date of the Assignment. By Consent to Assignment effective December 13, 2010 (the "Consent to Lease Assignment"), among the Authority, FCS LP and Tenant, the Authority consented to the Lease Assignment and the parties agreed to certain modifications to the Lease, including the addition of confession of judgment for money and ejectment.

2012 Middle School Loan: Pursuant to a Loan and Security Agreement dated as of June 5, 2012 (the "2012 Middle School Loan Agreement"), Lender made a construction loan to Subtenant in the maximum principal amount of \$4,550,000.00 (the "2012 Middle School Loan") to facilitate the development and construction of certain leasehold improvements located at 1026-1044 Market Street, Philadelphia, Pennsylvania (the "Middle School Property") for use as Subtenant's middle school campus. The 2012 Middle School Loan is secured by, among other things, a Guaranty dated as of June 5, 2012 (the "2012 Middle School Guaranty"), executed by Tenant, as guarantor and surety, to Lender, pursuant to which Tenant guaranteed and became surety for the 2012 Middle School Loan. The 2012 Middle School Guaranty is secured by, and recourse thereunder is limited to, a second priority leasehold mortgage and security agreement recorded on June 7, 2012 (the "2012 Middle School Mortgage"), encumbering Tenant's leasehold interest in the

Property, made by Tenant, as mortgagor, for the benefit of Lender. The maximum principal amount secured by the 2012 Middle School Mortgage is \$2,000,000.

2012 High School Loan: Pursuant to a Loan and Security Agreement dated as of November 30, 2012 (the "2012 High School Loan Agreement"), Lender made a term loan to Tenant in the maximum principal amount of \$2,204,617.47 (the "2012 High School Loan") to refinance existing indebtedness of Tenant and to pay certain closing costs in connection with the refinancing. The 2012 High School Loan is secured by, among other things, a first priority leasehold mortgage and security agreement recorded on December 5, 2012 (the "2012 High School Mortgage"), encumbering Tenant's leasehold interest in the Property, made by Tenant, as mortgagor, for the benefit of Lender.

The 2012 Middle School Loan and the 2012 High School Loan are scheduled to mature on July 1, 2018.

2012 PRA Agreement: Pursuant to a certain Amended and Restated Agreement and Amendment to Lease, Sublease and Mortgages delivered as of November 30, 2012 (the "Initial PRA Agreement") by and among Lender, the Authority, Tenant and Subtenant, the Authority consented to the 2012 Middle School Mortgage and the 2012 High School Mortgage and the parties thereto agreed to certain other amendments and agreements. Included in the Initial PRA Agreement is an option (the "Option") granting the Authority, among other things, the right to purchase the 2012 High School Mortgage and/or the 2012 Middle School Mortgage in the event of Tenant's default thereunder. That right, coupled with the Authority's right under the Lease to terminate the leasehold estate, would allow the Authority to regain control of the leasehold in the event of Tenant's default.

2018 Refinancing: Pursuant to a proposed Loan and Security Agreement (the "2018 High School Loan Agreement"), Lender has agreed to make a term loan to Tenant in the maximum principal amount of \$2,700,000 (the "2018 High School Loan") to refinance the 2012 High School Loan in full, to repay a portion of the 2012 Middle School Loan and to pay certain closing costs in connection with the refinancing. The 2018 High School Loan is proposed to be secured by, among other things, a first priority leasehold mortgage and security agreement (the "2018 High School Mortgage"), encumbering Tenant's leasehold interest in the Property, made by Tenant, as mortgagor, for the benefit of Lender.

Pursuant to a proposed Loan and Security Agreement (the "2018 Middle School Loan Agreement"), Lender has agreed to make a term loan to Subtenant in the maximum principal amount of \$1,237,500 (the "2018 Middle School Loan") to refinance the 2012 Middle School Loan and to pay certain closing costs in connection with the refinancing to enable Subtenant to continue operating Subtenant's middle school campus located at the Middle School Property.

The 2018 Middle School Loan is proposed to be secured by, among other things, a Guaranty (the "2018 Middle School Guaranty"), executed by Tenant, as guarantor

and surety, to Lender, pursuant to which Tenant will agree to guarantee and become surety for Subtenant's indebtedness under the 2018 Middle School Loan. The 2018 Middle School Guaranty is proposed to be secured by a second priority leasehold mortgage and security agreement (the "2018 Middle School Mortgage"), encumbering Tenant's leasehold interest in the Property, made by Tenant, as mortgagor, for the benefit of Lender.

NATURE OF REQUEST:

Subtenant and Tenant have requested that the Authority consent to (a) the 2018 High School Loan, and, in particular, to the 2018 High School Mortgage, and (b) the 2018 Middle School Loan, and, in particular, to the 2018 Middle School Mortgage.

Subtenant and Tenant have also requested that the Authority consent to the amendment and restatement of the Initial PRA Agreement in its entirety, the terms of which will include, among other things, (i) affirmative consent to the 2018 High School Loan and the 2018 High School Mortgage, and the 2018 Middle School Loan and the 2018 Middle School Mortgage, and all associated documents; (ii) an acknowledgement that the Lease has not been amended except as provided above and that the Lease is not currently in default; and (iii) a continuation of the Option as described above relative to the 2018 High School Mortgage and/or the 2018 Middle School Mortgage in the event of Tenant's default thereunder.

Although not a precondition to approval of this Board item, Authority staff inspected the Property and provided Tenant with a list of conditions requiring repair at the Property and Tenant has agreed to address and repair those conditions within a reasonable time frame.

Proposed Resolution is attached.

Prepared by: Ryan Harmon

Reviewed by: Gregory Heller

**BOARD FACTSHEET**

Board Meeting of June 13, 2018

Selection of Redeveloper

That Certain Land Bounded by North 7th Street, Loudon Street,
North 11th Street and Roosevelt Boulevard in the Logan
Section of the City of Philadelphia, Pennsylvania

NAME OF DEVELOPER/APPLICANT: Logan West Associates, L.P. ("**Developer**")

Nature of Transaction: Selection of developer to build a multi-phased, mixed-use project (the "**Project**") at the Property (defined below). The Project shall be completed in phases, e.g. "Phase 1," "Phase 2," "Phase 3," etc. Developer is required only to obtain approval for Phase 1 at this time. Plans and budgets for each subsequent Phase shall be submitted to the Authority and City Council for review and approval prior to the commencement of construction on such Phase. The Phases shall continue in numeric sequence until the final Phase is approved in the order in which they are proposed and approved for development.

Developer has agreed to develop Phase 1 as a permanent campus for Philadelphia Youth Basketball, including a state-of-the-art basketball and education facility, using basketball as a means to provide structured opportunities for personal and community growth for area youth. The campus will include indoor and outdoor basketball courts, classrooms, offices, a cafeteria, other interior spaces, parking facilities and appropriate access for employees and visitors.

Because of the scale and complexity of this project, the Authority is allowing the Developer to proceed in phases, and without full funding committed and available at time of this requested Board action. The Redevelopment Agreement has been designed to reflect a public-private partnership between the Authority and the Developer. The Project is anticipated to create public-serving uses through its redevelopment, and to contribute financial proceeds to a Community Fund. This unconventional redevelopment approach is deemed necessary to bring back into active use one of the largest and most challenging development sites currently in public ownership.

Legal Entity/Other Partners (if applicable):

1. Kenneth N. Goldenberg
2. The Goldenberg Group, Inc.

Mailing Address: Logan West Associates, L.P.
c/o The Goldenberg Group, Inc.
630 Sentry Parkway, Suite 300
Blue Bell, PA 19422
Attn: Mr. Seth Shapiro

PROPERTY INFORMATION: That Certain Land Bounded by North 7th Street,

Loudon Street, North 11th Street and Roosevelt Boulevard in the Logan Section of the City of Philadelphia, Pennsylvania (the "**Property**")

Description: Approximately thirty-six (36) acres, vacant lot

Zoning: CMX3 **Use:** Mixed-use

Disposition Value: Fair market value of One Dollar (\$1.00) (as adjusted to provide for geotechnical subsurface remediation costs). The disposition price has been established through an independent appraisal and adjusted on the condition that Developer provide documentation evidencing that costs actually incurred and paid to address any geotechnical subsurface conditions amount to or exceed the appraised value. A peer review of the Developer's proposed geotechnical subsurface costs was performed on the Authority's behalf by an independent, third party engineer.

As part of the acquisition, Developer will also be paying an Initial Carrying Fee, Ongoing Carrying Fee, an Initial Community Fund Payment and an Ongoing Community Fund Payment, all as defined and detailed below.

FINANCING: The Developer is purchasing the Property. Documentation of anticipated sources and uses in an amount no less than the total cost of Phase 1 (as defined below) of the Project has been provided - see attached outline of sources and uses.

BACKGROUND:

The Logan Triangle History

The Logan Triangle, bounded by North 7th Street, Loudon Street, North 11th Street and Roosevelt Boulevard in the Logan Section of the City of Philadelphia (the "City") has a long history of blight, abandonment and disinvestment. Originally, the site was traversed by the Wingohocking Creek and a number of its smaller tributaries. In the early 1900's, the site was filled with ash and building debris to prepare it for development. Over time, approximately 1,000 row homes on 17 square blocks were built. Over the years, soil subsidence (geotechnical) problems attributed to the unstable ash fill caused damage to the existing housing stock.

An underground gas explosion in 1987 exacerbated the subsidence problems and revealed the immense severity of the unstable ash fill. Thereafter in the late 1980's and early 1990's, the City began a process of acquiring and demolishing homes in the seventeen (17) square block area that were literally sinking and the City began to relocate the residents. Thus, the area became known as the Logan Triangle and the "sinking homes" site. The homes on the site were demolished by the City in the 1990's and the site has been vacant ever since, with the exception of two (2) churches that remained on the site, Harold O. Davis and Iglesia Sion.

Beginning in 2007 and continuing through 2012, the Authority exercised its powers of condemnation and condemned the site, with the exception of the two churches that remained on the site. The Authority issued a Request for Proposals ("RFP") for development of Property prior to completing its acquisition through condemnation and The Goldenberg Group, Inc., submitted a response to the RFP. Developer is a single-purpose entity formed by The Goldenberg Group, Inc., for the purpose of taking title to and developing the Property.

REQUEST:

Specifically, the Authority seeks Board approval of the following items:

- (i) the selection of Logan West Associates, L.P., as the redeveloper of the Property; and
- (ii) the approval of the Redevelopment Agreement and the proposed method of disposition as most appropriate and prudent under the law and circumstances, approving a disposition price of One Dollar (\$1.00).

The following is a summary of the material terms of the proposed Redevelopment Agreement:

Purchase Price: One Dollar (\$1.00) (herein, the "**Purchase Price**"), which represents the fair market value of the Property. As a condition of the aforementioned Purchase Price, Developer is required to provide documentation evidencing that the costs actually incurred and paid (including through public subsidy) by Developer to address any geotechnical subsurface conditions of the Property amount to or exceed Five Million Two Hundred Thousand Dollars (\$5,200,000). In the event such costs are less, Developer is required to pay the difference to the Authority.

Carrying Fee: An "**Initial Carrying Fee**" in the amount of \$250,000 is required to be paid by Developer, which represents the fee due from Developer for the prior sunk carrying costs and the carrying costs associated with the Property prior to execution of the Redevelopment Agreement (including, but not limited to, insurance costs and maintenance costs, including mowing and snow removal). Following execution of the Redevelopment Agreement and through to the date Developer takes title to the Property, Developer shall pay an ongoing carrying fee in the amount of Seven Thousand Three Hundred Eighty-Nine Dollars (\$7,389.00) per month (the "**Ongoing Carrying Fee**"), which shall be payable in full on a quarterly basis. In no event shall the Initial Carrying Fee and Ongoing Carrying Fee be construed to be part of the Purchase Price, nor shall such payments be credited against the Purchase Price.

Community Fund Payment: Developer shall make a one-time community fund payment ("**Initial Community Fund Payment**") in the amount of Five Hundred

Thousand Dollars (\$500,000.00), which is nonrefundable and payable on the date Developer takes title to the Property. Following the Delivery Date, on January 1 of every subsequent year for ten (10) years following the issuance of the certificate of completion for the final Phase of the Project (the "**Payment Period**"), Developer shall make an additional annual payment (and, in the case of a sale or refinancing of any portion of the Premises, upon the occurrence of such event) to the Authority for that portion of the Premises still owned by Developer in the amount of ten percent (10%) of Distributable Cash ("**Ongoing Community Fund Payment**"). "**Distributable Cash**" is defined herein as the gross receipts for the preceding year derived from either (1) normal operations of the Project, or (2) sale or refinancing of all or a portion of the Premises, less the sum of the following:

- i) All operating expenses actually paid for operation of the Premises;
 - ii) Debt service payments, including principal and interest payments on obligations entered into to finance the construction and/or operations of the Premises;
 - iii) The cost of any capital expenditures actually paid during the year;
 - iv) Such reasonable reserves as may be established by Developer;
- and
- v) A return of all capital invested by Developer along with a cumulative return on equity invested of six percent (6%).

In no event shall the Initial Community Fund Payment or the Ongoing Community Fund Payment be construed to be part of the Purchase Price, nor shall such payments be credited against the Purchase Price. The Community Fund Payment will be used by the Authority in the Authority's sole discretion, with input and involvement from Logan Triangle area community stakeholders, to benefit the Logan Triangle area community.

Deposit: Ten Thousand Dollars (\$10,000).

Closing/Title Transfer: Developer shall take title to the Property ("**Settlement**") not later than twenty-four (24) months after execution of the Redevelopment Agreement. Notwithstanding, if Developer is diligently and continuously proceeding to and taking all reasonable actions to complete Settlement, Developer may, by written notice, extend the Settlement date by two (2) additional twelve (12) month periods.

Conditions Precedent to Settlement: Among other typical redevelopment agreement requirements, Developer shall also satisfy the following conditions precedent to Settlement:

- i) Plan approval for design and construction of Phase 1 of the Project;
- ii) Evidence of available funds to complete Phase 1 of the Project

together with the proposed budget for Phase 1 of the Project and a corresponding sources and use analysis;

iii) Developer shall have provided the Authority with a list of all major fully-executed contracts required for the design, development and construction of Phase 1 of the Project;

iv) The Authority shall have received from Developer and approved a formal survey and subdivision plan for Phase 1 of the Project;

v) Developer shall have obtained final approval for a subdivision plan for Phase 1 of the Project;

vi) All ordinances required for the Project shall have been passed by City Council;

vii) Kenneth N. Goldenberg shall have executed a personal Guaranty of Payment and Completion Agreement relative to the Project;

viii) Developer and any affiliated entity or individual shall not have any unresolved or open code violations or other violations issued by the City Department of Licenses and Inspections, delinquent real estate taxes or other municipal liens owed to the City (unless covered by an executed payment/settlement agreement which is current and not in default), or any unresolved conflicts of interest; and

ix) confirmation shall be provided to the Authority from Developer that any parking issues involving Zion Assembly of God Church a/k/a Iglesia Sion and Harold O. Davis Memorial Baptist Church have been be addressed by Developer to the reasonable satisfaction of the Authority.

Phasing: The Project shall be completed in phases, e.g. "Phase 1," "Phase 2," "Phase 3," etc. (each, a "**Phase**," and together, the "**Phases**"). For each Phase of the Project following Phase 1, Developer shall propose subdivision boundaries, street and right of way locations and specific uses for such Phase. The balance of the Property must remain developable after the proposed Phase subdivision. The Phases shall continue in numeric sequence until the final Phase is approved in the order in which they are proposed and approved for development. Schematic plans and design development plans for each Phase shall be submitted to the Authority and City Council for review and approval prior to the commencement of construction on such Phase.

Phase 1: Developer agrees to develop Phase 1 as a facility for Philadelphia Youth Basketball ("**PYB**"), a state-of-the-art basketball and education facility modeled after the Arthur Ashe tennis program, using basketball as a means to attract area youth and provide structured opportunities for personal and community growth. The facility will include both indoor and outdoor basketball courts, classrooms, offices, a cafeteria other spaces. The exterior will include parking facilities and appropriate access for employees and visitors.

Design and Other Regulations: Regulations for design, open space, stormwater management and transportation are included in the Redevelopment Agreement.

Notice to Proceed for Phase 1: Developer must satisfy all obligations to obtain a Notice to Proceed for Phase 1 of the Project within six (6) months of Settlement.

Completion of Construction: The construction of Phase 1 of the Project shall be completed to the reasonable satisfaction of the Authority within twenty-four (24) months from the issuance of the notice to proceed for Phase 1 of the Project. The construction of any subsequent Phase of the Project by Developer shall be completed to the reasonable satisfaction of the Authority within twenty-four (24) months from the issuance of the notice to proceed for such Phase. Developer must be proceeding with design development or construction on at least one (1) Phase at all times during the term of the Redevelopment Agreement and in no event shall more than forty-eight (48) months elapse following the issuance of a certificate of completion for any Phase of the Project before a notice to proceed shall have been issued for the next Phase. All Phases, shall be completed within ninety-six (96) months from the issuance of the notice to proceed for Phase 1 of the Project.

Non-Discrimination in Use or Construction of the Property: The Redevelopment Agreement includes the same obligations as included in the Authority's typical redevelopment agreement which require non-discrimination in use and construction of the Project.

Minority, Disadvantaged and Female Owned Business Enterprise Requirements. The Redevelopment Agreement includes the same obligations as included in the Authority's typical redevelopment agreement which encourage fair and non-discriminatory business and employment practices and expanding opportunities for minorities, women and disadvantaged individuals. In furtherance thereof, Developer is required to execute an Economic Opportunity Plan.

Fine Arts: Developer agrees to provide new works of Fine Arts in accordance with the Authority's "The Percent for Art Program" currently in effect.

Insurance: Developer agrees to insure and to cause their respective contractors and subtenants to maintain the minimum insurance coverages as required by the Authority during the term of the Redevelopment Agreement.

Indemnification: Developer agrees to indemnify and defend the Authority and save it harmless from and against any and all claims, actions, suits, proceedings, losses, damages, liabilities and expenses arising in connection with the condition and use of the Property and the construction, occupancy, operation, maintenance, management or letting of the Property.

Guaranty: The effectiveness of the Redevelopment Agreement is conditioned upon the execution and delivery by Kenneth N. Goldenberg of the Guaranty of Payment and Completion Agreement ("**Guaranty**") attached to the Redevelopment Agreement as Exhibit F.

Permitted Transferees: Developer may assign the Redevelopment Agreement and sell or lease portions of the Project to a Permitted Transferee without the prior

consent of the Authority provided that Developer provides the Authority notice of such assignment, sale or lease, as the case may be, at least thirty (30) days prior to the effective date thereof. The term "**Permitted Transferee**" shall mean (A) any Affiliate, provided such Affiliate shall have provided the Authority with evidence to the satisfaction of the Authority of committed funds to complete the improvements attributable to that Phase together with the proposed budget and a corresponding sources and use analysis; or (B) with respect to Phase I of the Project, only, Philadelphia Youth Basketball, Inc. ("**PYB INC.**"), a Pennsylvania non-profit corporation, having an address at 1735 Market Street, 50th Floor, Philadelphia, Pennsylvania 19103, provided (i) PYB INC. has submitted all required documentation, including, but not limited to, all property applications, tax clearance certificates and conflict waivers, to the satisfaction of the Authority, (ii) PYB INC. formally agrees to be bound by all of the terms and conditions of the Redevelopment Agreement as if PYB INC. were an original signatory, (iii) PYB INC. acquires an interest in the Phase I parcel, whether by lease, deed or otherwise, for consideration agreeable to Developer and PYB INC., and satisfactory documentation evidencing same has been provided to the Authority, and (iv) PYB INC. can show, to the satisfaction of the Authority, in the Authority's sole discretion, that PYB INC. has the committed financial capacity to complete Phase I of the Project. The term "**Affiliate**" means any entity which, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with The Goldenberg Group, Inc. "Control" shall mean the power to (a) vote fifty-one percent (51%) or more of the interests having ordinary voting power for the election of directors of any entity, or (b) direct or cause the direction of the management and policies of such entity, whether by contract or otherwise. Developer may propose additional parties for consideration as Permitted Transferees during the Term but such designation remains subject to the approval of the Authority's Board of Directors and City Council by resolution.

COMMENTS OR OTHER CONDITIONS: The Developer is compliant with the City of Philadelphia Revenue Department and has no outstanding tax obligations, conflicts of interest, or unresolved violation of City L&I codes.

Per Chapter 17-1600 of the Philadelphia Code, the City has approved the Economic Opportunity Plan with ranges at MBE – 20% and WBE – 15%.

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

Prepared by: Ryan Harmon and Jessie Lawrence
Reviewed by: Gregory Heller

Proposed Resolution is attached.



BOARD FACTSHEET
Meeting of June 13, 2018
Non-Recourse Construction/Permanent Loan
2000 N. 11th Street

NAME OF SPONSOR/DEVELOPER: The Philadelphia Housing Authority ("PHA") or an affiliate of PHA

Nature of Transaction: Authorization for the Authority to enter into a non-recourse construction permanent loan agreement with North Central CNI Phase III LP in the amount up to Seven Million Dollars (\$7,000,000) (the "Authority Loan"). The proceeds of the Authority Loan will be used to assist in the new construction of forty-two (42) affordable rental units.

Borrower: North Central CNI Phase III LP

PROJECT INFORMATION: North Central CNI Phase III

Address: 2000 N. 11th Street ("Property")

Total Development Cost: \$28,439,142 Total Construction Cost: \$ 24,006,761

PRA Financing: \$7,000,000 Choice Funds

FINANCING:

The Authority Loan will be structured with a term of up to forty-three (43) years at 0% interest from the date of the Authority Loan closing. During the Authority Loan term, no principal or interest will be required to be paid. The entire balance of the Authority Loan will be due and payable upon the 43rd anniversary of the Authority Loan closing. The Authority Loan will be secured by a second lien position on the leasehold interest in the Property behind the construction loan financing provided by Wells Fargo Bank, N.A. ("Wells Fargo"). The Wells Fargo construction loan will be repaid from tax credit equity and permanent financing from PHA and Wells Fargo. Upon payment of the construction loan, the Authority Loan will remain in a second lien position behind the permanent financing provided by Wells Fargo.

COMMENTS OR OTHER CONDITIONS:

The City has approved the Economic Opportunity Plan for this project. The Philadelphia Planning Commission has issued an environmental clearance on the Property. The Authority housing construction department has reviewed the plans, specifications and construction costs for the project.

Disbursement of Authority Loan proceeds will be contingent on confirmation that all members of the development team have no outstanding tax issues.

Proposed Resolution is attached

Prepared by: Mark A. Nekoranik, Housing Development Officer

Reviewed by: Darci Bauer, Housing Finance Director