

**PHILADELPHIA REDEVELOPMENT AUTHORITY**

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

**BOARD MEETING  
WEDNESDAY, MARCH 14, 2018**

**Open Session – 4:00 P.M.**

**A G E N D A**

**APPROVAL OF BOARD MINUTES**

- (a) Meeting of February 14, 2018

**I. EXECUTIVE DIRECTOR'S REPORT**

**II. ADMINISTRATIVE**

**Conveyance of PRA Properties to Philadelphia  
Land Bank**

**III. DEVELOPMENT**

- (a) Cecil B. Moore Urban Renewal Area  
**Fifteenth Amended Redevelopment Proposal  
Fifteenth Amended Urban Renewal Plan**
- (b) Model Cities Urban Renewal Area  
**Forty-first Amended Redevelopment Proposal  
Thirtieth Amended Urban Renewal Plan**
- (c) Model Cities Urban Renewal Area  
Neighborhood Gardens Trust  
3212-24 & 3226-34 Ridge Avenue, 3201-3202  
W. Susquehanna Avenue &  
2201 N. Natrona Street  
**Selection of Redeveloper**

## **AGENDA**

Board Meeting of March 14, 2018

Page -2-

- (d) Eastwick Urban Renewal Area  
YD Real Estate Development, LLC  
Eastwick Stage A – Parcel E  
Vicinity of S. 76th Street & Holstein Avenue  
**Assignment of Development Rights**
  
- (e) 2458 N. 31st Street, 2548-56 N. 31st Street &  
2400 N. 32nd Street  
**Conveyance of Properties to the City of  
Philadelphia**

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

- (a) Mission First Center City Affordability Initiative  
Parkside 2000 Associates, L.P. & 1260 Housing  
Development Corporation  
1237-43 Belmont Avenue, 2211 Walnut Street,  
1213 Spruce Street & 433 McKean Street  
**Non-Recourse Construction/Permanent Loan &  
Grant Agreement**
  
- (b) Mission First Northeast Affordability Initiative  
1260 Housing Development Corporation  
7900-02 Castor Avenue, 6735 Bustleton Avenue,  
1327-37 Crease Street, 1647 Dyre Street and  
419 Chandler Street  
**Housing Trust Fund Grant**
  
- (c) Ann Thomas Presbyterian Apartments  
Presby's Inspired Life  
2000 S. 58th Street  
**Non-Recourse Construction/Permanent Loan Agreement**
  
- (d) Roberto Clemente Condominium, Unit 1  
Roberto Clemente Homes, L.P.  
3921-61 N. 5th Street  
**Consent to Subordination of Authority Mortgage**

### **V. 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, February 14, 2018, commencing at 4:13 P.M., in the offices of the Philadelphia Redevelopment Authority, being its regular meeting place, 16th floor, 1234 Market Street, Philadelphia, Pennsylvania, pursuant to proper notices.

**ROLL CALL**

The following members of the Board of Directors reported present: Anne Fadullon, Chairman; James Cuorato, Vice Chairman; Rob Dubow, Treasurer; Maria Duque-Buckley, 2nd Vice Chair and Assistant Secretary; and Duane Bumb, Secretary.

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

Also in attendance: Erwin A. Carner, Tulip Special Care; Yvonne Haskins, Haskins Properties; Connie Winters, Historic GTN Properties/WCGN; Allison Weiss, Solo/Germantown Civic Association; Jihad Ali, Resident; Emanuel Freeman, Lena Street Associates, Blakestone Limited Partnership, Lower Germantown Limited Partnership and Lower Germantown II Limited Partnership; Ramel Shorte, Ramel Shorte & Associates; and Jamila Davis, DHCD.

**ANNOUNCEMENTS**

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



**MINUTES**

Ms. Fadullon called for a motion to approve the minutes of the Board meeting of January 10, 2018.

Upon motion made and duly seconded, the minutes of January 10, 2018 were approved.



## **EXECUTIVE DIRECTOR'S REPORT**

Mr. Heller thanked the staff for their hard work and commitment to the mission of the agency.

Mr. Heller welcomed two new senior staff members. Larry Padilla, the new Director of Real Estate and Development Finance, and Karanja Slaughter, the new Special Projects Coordinator. Mr. Heller stated that he is pleased to welcome them both and looks forward to working with them.

Mr. Heller stated there is a groundbreaking scheduled for this Friday, February 16<sup>th</sup>, for New Market West, Mission First's project to be built on Authority land, which will be a 135,700 square-foot transit-oriented project that will provide educational resources, workforce development, behavioral health, community-serving retail, and a second phase with affordable housing. Mr. Heller further stated that it will be a great project and the Authority is proud to be part of it.



## **ADMINISTRATIVE**

Ms. Fadullon pointed out that there may be several individuals speaking on Item II (a) and requested that whoever is speaking be permitted to finish without interruption before the next speaker begins. Ms. Fadullon stated that staff will present the item first. Thereafter, Mr. Freeman will be permitted to address the Board followed by community members.

**Mr. Harmon presented "Item II (a) – Loan Principal Payoffs and Forgiveness of Interest and Penalties with Lena Street Associates, Blakestone Limited Partnership, Lower Germantown Limited Partnership and Lower Germantown II Limited Partnership" in substance consistent with the attached Fact Sheet hereto.**

### *Additional Comments and Discussion*

Mr. Dubow asked if there are any other options available to the Authority. Mr. Harmon responded that the Authority loans are in default and have been for a while now, and there are various tax and municipal liens on the properties. Mr. Harmon stated that, assuming this Board package is not authorized, the Authority would have the option to foreclose on the Authority loans.

Ms. Fadullon stated the Authority believes that at least some of the mortgages are in the first lien position. Ms. Fadullon stated that if a foreclosure action is filed, the Authority would become the owner of the properties and would be the landlord for any tenant-occupied properties.

If a foreclosure action is not filed by the Authority, the various holders of the municipal or other liens could also file a foreclosure or other lien action. This could result in a sale of the properties based on those liens with the potential of no recovery on the Authority mortgages. Mr. Harmon

stated a sheriff sale on the tax liens attached to the properties is scheduled for February 21<sup>st</sup> and that the City will likely not permit or allow another continuance.

Mr. Harmon stated that if the Board approves this Board package and the applicant proceeds with the refinancing process, in addition to a payoff of the Authority loans, a portion of the loan proceeds will be used to pay off all taxes and other municipal liens. The applicant has further stated that he is in the process of planning for the redevelopment/rehabilitation of a portion of the properties that are in disrepair.

Mr. Emmanuel Freeman then addressed the Board and stated that he has secured a lender and the closing is scheduled for tomorrow. The Authority would receive payment of all principal due and owing under the Authority loans. Mr. Freeman stated that there are a total of 140 units and 50 individual properties. The first phase would consist of a bridge loan with a twelve (12) month takeout.

Mr. Freeman stated that the subsequent construction loan would be in the amount of approximately \$1,000,000 or \$2,000,000, and the proceeds would be used to make repairs to occupied structures and vacant properties. Mr. Freeman further stated that he is in negotiations with a lender regarding the subsequent construction loan. Mr. Freeman stated that today's action would allow him to proceed with stabilizing and rehabilitating properties that he completed as a part of a 1992 project. Ms. Fadullon asked Mr. Freeman where the occupants would be while their homes are being renovated. Mr. Freeman stated that the work related to occupied properties was not significant and would not require relocation. Mr. Freeman estimated that it would cost between \$3,000 and \$5,000 per unit to rehab each of the occupied units, with that work being mostly limited to kitchens and bathrooms. Mr. Freeman stated that the vacant properties would need more substantial work.

Ms. Fadullon asked Mr. Freeman where he was with the construction/rehabilitation loan. Mr. Freeman replied that nothing has been signed yet, but that he has a few lenders to choose from. Ms. Fadullon then asked if the rents would increase and if the current tenants would be able to afford the increased rent. Mr. Freeman stated that the rents would increase 25-30% but that market rents would still be affordable to the existing tenants. Mr. Heller asked how many PHA tenants there were at the properties. Mr. Freeman replied that there were less than 10 such tenants.

Ms. Fadullon asked what utilities each of the tenants responsible for. Mr. Freeman replied the tenants pay for gas and electric.

Ms. Fadullon pointed out that there is not sufficient information to address the Board's concerns regarding construction/rehabilitation and maintaining the affordability of the units. Ms. Buckley asked if there is a line item for construction reserves in the budget. Mr. Freeman replied the proforma will include this. Mr. Dubow asked if Mr. Freeman had brought any financial information about the proposed renovation or a construction plan. Mr. Freeman responded no. Mr. Heller asked if the construction loan would be from the same lender who would be satisfying the Authority loans. Mr. Freeman replied that it may not.

Mr. Dubow asked what would happen if the financing he is seeking approval for today does not go through. Mr. Freeman replied that he would have to go back to the drawing board. Mr. Harmon

stated that any subsequent rehabilitation of the properties by Mr. Freeman would not likely occur without the Board's approval of this matter today due to the outstanding other liens on the properties. Mr. Freeman informed the Board that the current proposed lender is aware of all the issues.

Ms. Fadullon asked if title to the properties was clear, subject to removal of Authority liens and other municipal encumbrances, and whether we had copies of the title reports/commitments. Mr. Harmon stated that we do have updated title commitments showing the Authority as first lienholder on a majority of the properties. Mr. Harmon stated still awaiting receipt of a draft settlement sheet.

Mr. Cuorato stated that he is not confident that the construction/rehabilitation portion of this project will happen and would like see more information on the construction loan as well.

At this time, Ms. Fadullon asked the community representatives to provide their testimony.

Ms. Yvonne Haskins addressed the Board and stated that she has lived in Germantown for over 30 years in the Queen Lane area. Ms. Haskins stated that a bankruptcy was filed in 2007 which related to these properties and that the bankruptcy issue should be examined further.

Ms. Haskins pointed out that Mr. Freeman did not provide the Board members with any financials. Ms. Haskins asked the Board to do the "right thing" and that today's matter is about trust and the community. Ms. Haskins believes that this matter involves many more than 140 units and that Mr. Freeman could not be trusted.

Ms. Connie Winters addressed the Board and stated that she moved to Germantown section of the city in 1976. Ms. Winters stated that she now owns 12 buildings in the area which have significant debt but are in good condition. Ms. Winters stated that the Board members should not have any confidence in Mr. Freeman because of his track record. Mr. Winters stated Mr. Freeman used pictures of her properties without her permission to obtain a grant several years ago. Ms. Winters then asked the Board to give Ms. Haskins and herself the chance to fix the buildings which are currently subject to the Authority mortgages.

Ms. Allison Weiss informed the Board that the community has no confidence in Mr. Freeman's ability to rehabilitate these properties. Ms. Weiss stated that some improvements have been done in the past because she reached out to the City's 311 service. Ms. Winters said the conditions are "deplorable."

Mr. Ali addressed the Board stating that he has known Mr. Freeman for over 30 years and knows that Mr. Freeman has been a reputable developer. Mr. Ali stated that if Mr. Freeman is given the chance to rehabilitate these properties, he will do a good job. Mr. Ali further stated that this Board item will permit Mr. Freeman to help 140 families. Mr. Ali asked the Authority's Chair, Ms. Fadullon, to give Mr. Freeman a chance to "make things right." Mr. Ali further stated there are two sides to every story.

Dr. Erwin Carner informed the Board that he has lived in Germantown since 1968 and that he is a 40% owner in this property portfolio with Mr. Freeman. Dr. Carner stated there are only 140

properties involved here, despite claims made earlier. Dr. Carner stated that he was a genetics doctor at Jefferson University and decided to partner with Mr. Freeman with respect to these properties. Dr. Carner asked the Board to give Mr. Freeman and him the helping hand that they need.

Mr. Freeman again addressed the Board and stated that he is a credible developer and oversaw very large developments in the past. Mr. Freeman also said that the bankruptcy matter that was raised earlier has been adjudicated and involved a different party as the debtor. Mr. Freeman stated that he is a developer of last resort in Germantown because there is very little interest from others. Mr. Freeman advised the Board that today's approval would allow for paying off the Authority mortgages and all municipal liens.

Mr. Cuorato asked Dr. Carner if he could ensure that the rehabilitation of these properties would get done as Dr. Carner only held a 40% ownership interest in the properties. Dr. Carner responded in the affirmative.

*Ms. Fadullon called for a motion to enter into an Executive Session at 5:08 p.m.*

*The Board meeting resumed at 5:27 p.m.*

Mr. Dubow made a motion to table the matter pending the receipt of financial documents and plans relative to the rehabilitation of the properties and a showing of clear title.

Ms. Fadullon stated that the Board has proposed to table this item until the following information is provided to the Board: title commitments, plans and financials relative to the construction loan including, but not limited to, a scope of construction, a plan of management, a corresponding budget including line-item construction costs for each address, sources and uses, cash flow statement and operating proforma.

Ms. Fadullon stated that a Special Board meeting can be called prior to the March scheduled meeting provided that materials are provided to the Board's satisfaction.

Ms. Fadullon called for a motion to table the matter. Upon motion made and duly seconded, the motion was approved.



**Mr. Harmon presented "Item II (b) – Settlement of Lawsuit; Daniel Jin Park vs. Philadelphia Redevelopment Authority" in substance consistent with the attached Fact Sheet hereto.**

*Additional Comments and Discussion*

Mr. Harmon informed the Board that the Authority and Mr. Park obtained their own market value appraisals for 1000 N. Marshall Street. The settlement is in the amount of \$140,000, which would be payable to the Authority.

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

**RESOLUTION NO. 2018-10**

**RESOLUTION AUTHORIZING SETTLEMENT OF LITIGATION WITH DANIEL JIN PARK UPON CERTAIN TERMS AND CONDITIONS, INCLUDING THE TRANSFER BY THE AUTHORITY BY QUITCLAIM DEED OF ANY AUTHORITY RIGHTS IN AND TO 1000 N. MARSHALL STREET**

**WHEREAS**, Daniel Jin Park (herein, the "Plaintiff") commenced a lawsuit in the Philadelphia Court of Common Pleas against the Philadelphia Redevelopment Authority (herein, the "Authority") docketed at October Term, 2017, No. 01641 (herein, the "Lawsuit"); and

**WHEREAS**, the Lawsuit alleges, among other things, that Plaintiff is the current title owner of 1000 N. Marshall Street (herein, the "Property") and seeks to quiet title in Plaintiff's favor; and

**WHEREAS**, Plaintiff and the Authority have deemed it desirable to resolve all claims presented in the Lawsuit amicably in accordance with the terms of the proposed Settlement and Release Agreement (the "Agreement"), subject to Board approval; and

**WHEREAS**, the Authority has agreed, subject to Board approval, to execute a quitclaim deed to the Property for consideration in the amount of One Hundred Forty Thousand Dollars (\$140,000), and in consideration of Plaintiff releasing all claims presented against the Authority in the Lawsuit; and

**WHEREAS**, General Counsel for the Authority recommends that this matter be resolved in accordance with these terms and conditions of the proposed Agreement.

**NOW, THEREFORE, BE IT RESOLVED**, by the Philadelphia Redevelopment Authority that the Executive Director is hereby authorized to execute a Settlement and Release Agreement that, among other terms, (i) requires the Authority to transfer, by execution of a quitclaim deed to Plaintiff or Plaintiff's designee, any rights the Authority may have in and to the Property, conditioned on the receipt by the Authority of consideration in the amount of One Hundred Forty Thousand Dollars (\$140,000), and (ii) requires Plaintiff to release all claims presented against the Authority in the Lawsuit.

**FURTHER AUTHORIZING**, the preparation, execution, and delivery of all documentation necessary to carry out the foregoing in form and substance acceptable to the Deputy 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 purpose and intents.

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



**Mr. Harmon presented "Item II (c) – Appointment of the Board of Directors of RT HeadHouse Development Corporation" in substance consistent with the attached Fact Sheet hereto.**

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

**RESOLUTION NO. 2018-11**

**RESOLUTION APPOINTING DIRECTORS TO RT HEADHOUSE DEVELOPMENT CORPORATION**

**BE IT RESOLVED** by the Philadelphia Redevelopment Authority, that the following individuals are appointed to serve as directors of RT HeadHouse Development Corporation for a term of one (1) year beginning February 14, 2018 or until such time as the Authority shall terminate any such appointment:

James Cuorato  
Gregory Heller  
Larry Padilla  
Angela Chandler  
Karanja Slaughter

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



## **DEVELOPMENT**

Ms. Fadullon informed staff along with the public that Item III (a) – Cecil B. Moore Urban Renewal Area, Fifteenth Amended Redevelopment Proposal/Fifteenth Amended Urban Renewal Plan, and Item III (b) – Model Cities Urban Renewal Area, Forty-first Amended Redevelopment Proposal/Thirtieth Amended Urban Renewal Plan, are being tabled at this time because additional work needs to be done by Philadelphia City Planning Commission.



**Mr. Lawrence presented "Item III (c) – Selection of Redeveloper, Neighborhood Gardens Trust" in substance consistent with the attached Fact Sheet hereto.**

### *Additional Comments and Discussion*

Mr. Ali asked if the property at 2702-2704 Wharton Street is the same square footage. Mr. Lawrence replied that the square footage of 2600-2602 Wharton Street and 2702-2704 Wharton Street are each approximately 1,700 square feet.

Mr. Ali asked why the property is being swapped out and if there is an Economic Opportunity Plan for the developer who will subsequently take title to the property. Mr. Heller stated that the Authority has nothing to do with the property once a Certificate of Completion is issued and the property is transferred to the private developer.

Mr. Ali asked how the price was determined. Mr. Heller replied that the value was determined by a third party independent appraisal.

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

### **RESOLUTION NO. 2018-12**

#### **RESOLUTION SELECTING NEIGHBORHOOD GARDENS TRUST AS REDEVELOPER OF 2600-2602 WHARTON STREET LOCATED IN THE GRAYS FERRY REDEVELOPMENT AREA, GRAYS FERRY URBAN RENEWAL AREA**

**BE IT RESOLVED**, by the Philadelphia Redevelopment Authority, that Neighborhood Gardens Trust is hereby selected as Redeveloper of 2600-2602 Wharton Street located within the Grays Ferry Redevelopment Area, Grays Ferry 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 Fifty Five Thousand Dollars (\$55,000.00); determining that the Redeveloper possesses the qualifications and financial resources necessary to acquire and develop the property in accordance with the Redeveloper's approved plans; further authorizing the execution, delivery and recording of the Redevelopment

Contract and a Deed for the property and the preparation of all other documentation necessary or desirable in order to carry out the foregoing, and to obtain the appropriate councilmanic action.

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

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



**Mr. Lawrence presented "Item III (d) – Selection of Redeveloper, Neighborhood Gardens Trust" in substance consistent with the attached Fact Sheet hereto.**

*Additional Comments and Discussion*

Mr. Ali asked what the anticipated use of 522 Mercy Street is once NGT sells the property to the developer and swaps it for 538 Mercy Street. Mr. Heller replied that the anticipated private developer of 522 Mercy Street can do what it wants with 522 Mercy Street after the swap – there is no use restriction from the Authority once NGT receives a Certificate of Completion. The Authority will, however, enter into a side agreement with NGT restricting 538 Mercy Street to garden and related uses after it is in NGT's ownership.

Mr. Ali stated for the recorded that he is opposing this action. Mr. Ali further stated that NGT has not yet built a garden and is already working with a private developer to swap properties.

Ms. Winters asked whether a garden is being put in at 522 Mercy Street. Mr. Harmon stated that NGT has to complete its improvements and, assuming they were completed, the Authority would then issue a Certificate of Completion. Mr. Harmon further stated that a side agreement will be entered into with NGT for 538 Mercy Street, restricting to garden and related use after it is in NGT's ownership.

Ms. Fadullon stated this is a very rare occurrence and is not something the Board likes to approve.

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

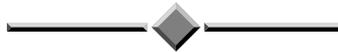
**RESOLUTION NO. 2018-13**

**RESOLUTION SELECTING NEIGHBORHOOD GARDENS TRUST AS REDEVELOPER OF 522 MERCY STREET LOCATED IN THE GREENWICH REDEVELOPMENT AREA**

**BE IT RESOLVED**, by the Philadelphia Redevelopment Authority, that Neighborhood Gardens Trust is hereby selected as Redeveloper of 522 Mercy Street located within the Greenwich Redevelopment 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 Fifty-Six Thousand Dollars (\$56,000.00); determining that the Redeveloper possesses the qualifications and financial resources necessary to acquire and develop the property in accordance with the Redeveloper's approved plans; further authorizing the execution, delivery and recording of the Redevelopment Contract and a Deed for the property and the preparation of all other documentation necessary or desirable in order to carry out the foregoing, and to obtain the appropriate councilmanic action.

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

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



At this time, at 5:45 p.m. Mr. Cuorato left the meeting because of another commitment.

**Mr. Lawrence presented "Item III (e) – Modification to Resolution No. 2017-27 with regards to 1029-1031 Mount Vernon Street and 1028 Lemon Street" in substance consistent with the attached Fact Sheet hereto.**

*Additional Comments and Discussion*

Mr. Ali asked if an Economic Opportunity Plan was approved for the properties being sold and what happens to 1026 Lemon Street. Mr. Lawrence confirmed that an Economic Opportunity Plan was approved. Mr. Heller stated that 1026 Lemon Street will remain in the Authority's inventory until it determines the best use for it. Mr. Ali asked whether the selected developer will have special preference to purchase 1026 Lemon Street. Mr. Heller responded that he would not.

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

**RESOLUTION NO. 2018-14**

**MODIFICATION TO RESOLUTION NO. 2017-27, TO ADOPTED BY THE BOARD AT ITS MEETING ON APRIL 12, 2017, AND SELECTING YUNG KING LAU AS REDEVELOPER OF 1029-1031 MOUNT VERNON STREET AND 1028 LEMON STREET**

**LOCATED IN THE NORTH PHILADELPHIA REDEVELOPMENT AREA, MODEL CITIES URBAN RENEWAL AREA**

**WHEREAS**, on April 12, 2017, by Resolution No. 2017-27, the Authority approved the redeveloper selection of Yung King Lau as the Redeveloper of 1029-1031 Mount Vernon Street and 1026-1028 Lemon Street; and

**WHEREAS**, approval is requested today to amend Resolution No. 2017-27 to provide the following:

1. Removal the property known as 1026 Lemon Street from the conveyance; and
2. Reduction of the disposition price to \$195,000; and
3. Revised schematic plans to reflect a change in lot area.

**BE IT RESOLVED**, by the Philadelphia Redevelopment Authority, Resolution No. 2017-27, adopted on April 12, 2017, is modified to reflect the aforementioned changes to properties, adjusted disposition price and plan revisions for 1029-1031 Mount Vernon Street and 1028 Lemon Street located within the North Philadelphia Redevelopment Area, Model Cities Urban Renewal Area, and further authorizing the execution, delivery and recording of all 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 this 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.



**HOUSING FINANCE / NSP**

**Ms. Bauer presented "Item IV (a) – Loan Modification with Southwark Plaza Limited Partnership" in substance consistent with the attached Fact Sheet hereto.**

*Additional Comments and Discussion*

Mr. Ali asked if the funding gap occurred when the tax credit deal closed. Ms. Bauer replied that is exactly what happened.

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

**RESOLUTION NO. 2018-15**

**RESOLUTION AUTHORIZING THE AUTHORITY TO ACCEPT A REDUCED PAYMENT OF A LOAN AND APPROVE AN INCREASE IN THE AUTHORITY LOAN AMOUNT FOR THE COURTYARD PRESERVATION PROJECT**

**WHEREAS**, pursuant to Resolution No. 2016-75, adopted June 8, 2016, the Authority authorized the modification of a Loan Agreement with Southwark Plaza Limited Partnership in the amount of Three Million Dollars (\$3,000,000) ("Authority Loan"). The proceeds of the Authority Loan were used for the development of various properties located at 4<sup>th</sup> and Washington in the Queen Village area of South Philadelphia; and

**WHEREAS**, in 2016, after the Low Income Housing Tax Credit compliance period had ended, Michaels Development Company, in partnership with the Philadelphia Housing Authority, developed a preservation plan ("Courtyard Preservation Project") in order to make capital improvements to the site; and

**WHEREAS**, the Courtyard Preservation Project is being developed by a newly created tax credit partnership, Courtyard Preservation, L.P. ("Courtyard Partnership"); and

**WHEREAS**, Pursuant to Resolution No. 2016-75, adopted June 8, 2016, the Authority authorized a partial payment of the Authority Loan in an amount equal to 50% of the acquisition developer fee determined at the time of the Courtyard Preservation loan closing, with the balance of the Authority Loan being assumed by the Courtyard Partnership; and

**WHEREAS**, at the December 29, 2016 closing, the Authority received a payment of \$1,575,000 and Courtyard Partnership executed an Authority Note and Authority Mortgage in the amount of \$1,425,000; and

**WHEREAS**, due to the reduction in equity proceeds that resulted in a funding gap, the Authority has been requested to reduce payment made on the Authority Loan by \$300,000 and increase the Authority Loan by \$300,000;

**NOW BE IT RESOLVED**, by the Philadelphia Redevelopment Authority ("Authority"), that the following modification to the Authority Loan be approved under the following terms and conditions:

1. Allow the Authority's payment to be reduced by \$300,000 and increase the Authority Loan by \$300,000.
2. All other terms and conditions of Resolution No. 2016-75, adopted June 8, 2016, shall remain in full force and effect.

**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.



**Ms. Bauer presented "Item IV (b) – Mortgage Payoff Requests, Foulkrod Apartment Associates & Edgewood Manor Associates II, L.P." in substance consistent with the attached Fact Sheet hereto.**

*Additional Comments and Discussion*

Mr. Dubow asked what amount of interest the Authority is forgiving. Ms. Bauer stated that interest forgiveness for Foulkrod is approximately \$680,000, and Edgewood Manor is approximately \$1,200,000. Ms. Bauer stated an analysis was done which included net sale price, seller incurred transfer taxes, legal cost, etc., and it was determined that this was a reasonable request.

Mr. Ali asked what the income restrictions are. Ms. Bauer replied 60% to 80% AMI.

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

**RESOLUTION NO. 2018-16**

**RESOLUTION AUTHORIZING SATISFACTION OF TWO MORTGAGES AND TWO NOTES UPON PAYMENT OF THE PRINCIPAL BALANCE AND A PORTION OF ACCRUED INTEREST**

**WHEREAS**, Edgewood Manor Associates II, L.P. ("Edgewood Borrower"), a Pennsylvania limited partnership, owns certain real property located at 1508 West Allegheny Avenue ("Edgewood Property"); and

**WHEREAS**, Foulkrod Apartment Associates ("Foulkrod Borrower"), a Pennsylvania limited partnership, owns certain real property located at 1330-1346 Foulkrod Street ("Foulkrod Property"); and

**WHEREAS**, in 1995, the Redevelopment Authority (the "Authority") provided financing to the Edgewood Borrower secured by a mortgage ("Edgewood Mortgage") for the rehabilitation

of fifty-six (56) units of permanent rental housing for low income residents in the amount of \$1,275,000 for a term of forty (40) years at 5% interest ("Edgewood Note"); and

**WHEREAS**, in 1995, the Authority provided financing to the Foulkrod Borrower secured by two mortgages (the "FHA Mortgage" and "Foulkrod Mortgage") in the aggregate amount of \$1,166,000, evidenced by two notes in the respective amounts of \$610,000 ("FHA Note") and \$556,000 ("Foulkrod Note") for the rehabilitation of fifty-two (52) units of permanent rental housing for low income residents. The FHA Note was provided under the Authority's Risk Sharing Program. The FHA Mortgage will be satisfied upon receipt of final payment by the trustee. The Foulkrod Note is at 7% and is due and payable on August 1, 2026; and

**WHEREAS**, Edgewood Borrower and Foulkrod Borrower (together, the "Borrowers") would like to sell the Edgewood Property and Foulkrod Property (collectively, the "Properties") and have obtained a buyer willing to purchase the Properties; and

**WHEREAS**, the Borrowers wish to convey the Properties to Willow Apartments LP and Edgewood Apts. LP, affiliates of Odin Properties (together, the "Buyer"); and

**WHEREAS**, Borrowers have requested the Authority accept as full repayment of the Foulkrod Note and Edgewood Note the principal balances and respectively, \$146,000 and \$280,000 of accrued interest; and

**WHEREAS**, Buyer has agreed to execute a Declaration of Restrictive Covenants on the Properties to assure affordability for fifteen (15) years; and

**NOW THEREFORE, BE IT RESOLVED** by the Philadelphia Redevelopment Authority, that the Authority accepts the proposed terms as full repayment of the Edgewood Note and Foulkrod Note.

**FURTHER**, authorizing the Executive Director, with the advice of General Counsel, to allow modification and corrections to this Resolution which are necessary or desirable to carry out its purposes and intents and the execution and delivery of all documents necessary to carry out the foregoing.

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



**OLD BUSINESS**

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



## **NEW BUSINESS**

Ms. Fadullon inquired if there was any new business for the Board. Ms. Fadullon recognized Mr. Ali. Mr. Ali stated that the Authority now only posts the agenda and the minutes from the prior meeting, and is no longer posting the individual Board packages. Mr. Harmon replied that Board packages often had to be substituted before the Board meetings because of late changes and revisions. Mr. Heller stated that the Authority is required only to post meeting dates under the Sunshine Act. Mr. Heller stated that because Board packages were revised after the initial packages were posted on the website, it resulted in inaccurate information being publicly distributed. As a result, it was determined that only meeting agendas and minutes would be posted going forward so correct information could be provided.

Mr. Ali stated that during Mayor Nutter's tenure as the Authority's Chair, he made the decision to post the entire agenda and all Board packages. Mr. Ali stated that there is not enough time for the general public to review the packages and be prepared to make comments at the meeting.

Mr. Ali asked the Board to reconsider this and post the Board packages on the Authority's website. Ms. Fadullon replied that the Board would consider Mr. Ali's request.



## **ADJOURNMENT**

There being no further business to come before the Board, Ms. Fadullon declared the meeting adjourned at 6:01 P.M.

---

SECRETARY TO THE BOARD



## BOARD FACTSHEET

Meeting of February 14, 2018

Loan Principal Payoffs and Forgiveness of Interest and Penalties

Lena Street Associates, Blakestone Limited Partnership, Lower Germantown Limited Partnership and Lower Germantown II Limited Partnership

**Nature of Transaction:** The Board is requested to authorize an amendment to Resolution No. 2016-87, adopted on August 6, 2016, and Resolution No. 2016-116, adopted on October 20, 2016, wherein the Authority Board authorized the abatement of interest and penalties on the following Authority loans (the "Loans") provided the principal balance due and owing on each of the Loans is paid in full as follows:

### Loans:

A. Lena Street Loan: LENA STREET ASSOCIATES, a Pennsylvania limited partnership ("**Lena Street**"), by a certain Mortgage dated May 22, 1990, and recorded May 30, 1990, in the City of Philadelphia Department of Records (the "**Recorder's Office**") at Mortgage Book M 2210, Page 400, et seq. (the "**Lena Street Mortgage**"), granted and conveyed unto the Philadelphia Housing Development Corporation ("**PHDC**"), its successors and assigns, a security interest in the property located at and known as 5429-43 Lena Street, Philadelphia, Pennsylvania (the "**Lena Street Premises**"), to secure payment of a Note (the "**Lena Street Note**") in the principal sum of Four Hundred Thousand Dollars (\$400,000) (the "**Lena Street Loan**"). Pursuant to that certain Assignment dated October 5, 1993 (the "**Assignment**"), PHDC assigned the Lena Street Mortgage and Lena Street Note to the Authority.

B. Blakestone Loan: BLAKESTONE LIMITED PARTNERSHIP, a Pennsylvania limited partnership ("**Blakestone**"), by a certain Open-End Mortgage dated February 13, 1997, and recorded February 28, 1997, in the Recorder's Office at Mortgage Book M 0455, Page 557, et seq. (the "**Blakestone Mortgage**"), granted and conveyed unto the Authority and its successors and assigns a security interest in the property located at and known as 6657-59 Blakemore Street, Philadelphia, Pennsylvania, 530-34 Vernon Road, Philadelphia, Pennsylvania, and 6526-34 Germantown Avenue, Philadelphia, Pennsylvania (together, the "**Blakestone Premises**"), to secure payment of a Note (the "**Blakestone Note**") in the principal sum of Six Hundred Fifty Thousand Dollars (\$650,000) (the "**Original Blakestone Loan**"). Pursuant to that certain Allonge and Amendment to Note dated May 11, 1998 (the "**Blakestone Allonge**") and that certain Mortgage Modification Agreement dated May 11, 1998 (the "**Blakestone Modification**"), the Original Blakestone Loan was increased to Six Hundred Seventy Thousand Nine Hundred Dollars (\$670,900) (the Original Blakestone Loan, as increased by the Blakestone Allonge and Blakestone Modification, the "**Blakestone Loan**").

C. LGII Loan: LOWER GERMANTOWN II LIMITED PARTNERSHIP, a Pennsylvania limited partnership ("**LGII LP**"), by a certain Open-End Mortgage dated October 6, 1994, and recorded October 31, 1994, in the Recorder's Office at Mortgage Book M 337, Page 040, et seq. (the "**LGII Mortgage**"), granted and conveyed unto the Authority and its successors and assigns a security interest in the property located at and known as 50 and 56 E. Collom Street, 67, 83 and 85-87 Church Lane, 45-51 E. Garfield Street, 4949-51 and 5007 Germantown Avenue, 5417 Lena Street (including a 953 square foot section of the parcel located at 5423-5427 Lena Street, which is adjacent to 5417 Lena Street), 5512-14 and 5513-15 Lena Street, 117 Manheim Street and 36-46 and 63 E. Wister Street, Philadelphia, Pennsylvania (together, the "**LGII Premises**"), to secure payment of a Note dated October 6, 1994 (the "**LGII Note**"), in the principal sum of One Million Fifty-Nine Thousand Seven Hundred Thirty-Six Thousand Dollars (\$1,059,736) (the "**LGII Loan**").

D. LG Loan: LOWER GERMANTOWN LIMITED PARTNERSHIP, a Pennsylvania limited partnership ("**LG LP**"), by a certain Mortgage dated November 9, 1992, and recorded June 3, 1993, in the Recorder's Office at Mortgage Book M 0421, Page 118, et seq. (the "**LG Mortgage**"), granted and conveyed unto PHDC and its successors and assigns a security interest in the property located at and known as 72-74 E. Collom Street, 101 E. Collom Street, 4928 Germantown Avenue, 4930 Germantown Avenue, 4942 Germantown Avenue, 4948 Germantown Avenue, 5009 Germantown Avenue, 5118-20 Lena Street, 5421 Lena Street and 5423-27 Lena Street, Philadelphia, Pennsylvania (together, the "**LG Premises**"), to secure payment of a Note dated November 9, 1992 (the "**LG Note**"), in the principal sum of One Million Two Hundred Twenty-Five Thousand Dollars (\$1,225,000) (the "**LG Loan**"). Pursuant to the Assignment, PHDC assigned the LG Mortgage and LG Note to the Authority.

Specifically, the Board authorized Lena Street and Blakestone to pay off the Lena Street Loan and Blakestone Loan, respectively, and to release the lien of each of the Lena Street Mortgage and the Blakestone Mortgage, as amended by the Blakestone Modification. Simultaneously with such payoff, the Board authorized the placement of the interest due and owing on the Lena Street Loan and Blakestone Loan, respectively, as of the date of payoff (the "**Escrow Funds**"), into escrow with the Authority. Provided the full principal amount of the LG Loan and the LGII Loan was paid to the Authority in full by 5:00 p.m. on October 31, 2016, the Board authorized the release of the Escrow Funds to Lena Street and Blakestone and the abatement of the interest and penalties due owing under the LG Note and the LGII Note. Further, if such payment was not received by the Authority by 5:00 p.m. on October 31, 2016, the Authority would be entitled to, and shall receive, the entire Escrow Funds, without recourse from Lena Street and/or Blakestone.

Lena Street, Blakestone, LG LP and LGII LP were ultimately not able to obtain financing, there were no funds deposited into escrow and the Loans were not paid off.

**COMMENTS OR OTHER CONDITIONS:**

Lena Street, Blakestone, LGII LP and LG LP have informed the Authority that they have now obtained a financing commitment to pay off the Loans, which has been presented to Authority staff. The total amount of principal due and owing to the Authority on the Loans is Three Million Three Hundred Fifty-Five Thousand Six Hundred Thirty-Six Thousand Dollars (\$3,355,636).

The Authority seeks authorization to forgive the payment of interest and penalties on the Loans provided the full amount of principal due and owing on the Loans is paid to the Authority by 5:00 p.m. on February 28, 2018. **No further extensions of time for the forgiveness of interest and penalties on the Loans shall be granted or permitted.**

Proposed Resolution is attached

Prepared by: Ryan Harmon


**BOARD FACTSHEET**

Board Meeting of February 14, 2018  
 Settlement of Lawsuit  
 1000 N. Marshall Street

---

**Litigation Caption:** Daniel Jin Park vs. Philadelphia Redevelopment Authority, Philadelphia County Court of Common Pleas, October Term, 2017, No. 01641 (the "Lawsuit")

**Nature of Litigation:** The Board is requested to authorize the Authority to enter into a Settlement and Release Agreement (the "Agreement") with Plaintiff, Daniel Jin Park ("Plaintiff"), to resolve all claims presented in the Lawsuit. Subject to the terms and conditions contained in the Agreement, the Authority will provide a quitclaim deed to the property located at 1000 N. Marshall Street (the "Property") to Plaintiff or its designee for consideration in the amount of One Hundred Forty Thousand Dollars (\$140,000.00).

**PROPERTY INFORMATION: 1000 N. Marshall Street**

**Description/Zoning:** : 1,221.3 sq. ft. lot area, 3,367.4 sq. ft. unit area (two unit condominium), RM-1

**COMMENTS OR OTHER CONDITIONS:**

Through negotiations, Plaintiff, who claims to be the current title holder to the Property, and the Authority, who also claims to be the current title owner of the Property, are willing to release all claims presented in the Lawsuit in consideration of the Authority agreeing to transfer a quitclaim deed to the Property for consideration in the amount of One Hundred Forty Thousand Dollars (\$140,000.00) from Plaintiff.

Proposed Resolution is attached with site map & photograph.

Prepared by: Ryan D. Harmon



**BOARD FACTSHEET**

Meeting of February 14, 2018

Appointment of the Board of Directors of RT HeadHouse  
Development Corporation

---

**ENTITY:** RT HeadHouse Development Corporation

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

James Cuorato  
Gregory Heller  
Larry Padilla  
Angela Chandler  
Karanja Slaughter

**PROJECT INFORMATION:** 12<sup>th</sup> and Market HeadHouse Condominium  
(Reading Terminal HeadHouse)

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

**COMMENTS OR OTHER CONDITIONS:**

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

Proposed Resolution is attached.



## BOARD FACTSHEET

Meeting of February 14, 2018  
 Cecil B. Moore Urban Renewal Area  
 Fifteenth Amended Redevelopment Proposal  
 Fifteenth Amended Urban Renewal Plan

---

**Nature of Transaction:** Resolution authorizing the approval of the Fifteenth Redevelopment Proposal and Fifteenth Amended Urban Renewal Plan for the North Philadelphia Redevelopment Area, Cecil B. Moore Urban Renewal Area.

### Description:

The Amendment aims to facilitate the implementation of the City Wide Philadelphia2035 Plan ("Philadelphia2035 Plan") adopted by the City of Philadelphia (the "City"), in June, 2011.

The Philadelphia2035 Plan identifies forward thinking goals and strategies for achieving new and appropriate development within the City and will direct the redevelopment of the Cecil B. Moore Urban Renewal Area by zoning code controls and guidelines as detailed by the Philadelphia2035 Plan.

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

Prepared by: Tracy Pinson-Reviere, Project Manager II  
 Reviewed by: Gregory Heller/Larry Padilla



**BOARD FACTSHEET**

Meeting of February 14, 2018

Model Cities Urban Renewal Area

Forty-first Amended Redevelopment Proposal

Thirtieth Amended Urban Renewal Plan

---

**Nature of Transaction:** Resolution authorizing the approval Forty-first Amended Redevelopment Proposal and Thirtieth Amended Urban Renewal Plan for the North Philadelphia Redevelopment Area, Model Cities Urban Renewal Area.

**DESCRIPTION:**

The Amendment aims to facilitate the implementation of the City Wide Philadelphia2035 Plan ("Philadelphia2035 Plan") adopted by the City of Philadelphia (the "City"), in June, 2011.

The Philadelphia2035 Plan identifies forward thinking goals and strategies for achieving new and appropriate development within the City and will direct the redevelopment of the Model Cities Urban Renewal Area by zoning code controls and guidelines as detailed by the Philadelphia2035 Plan.

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

Prepared by: Tracy Pinson-Reviere, Project Manager II  
Reviewed by: Gregory Heller/Larry Padilla

**PROPOSED BOARD FACTSHEET**

Meeting of February 14, 2018

Selection of Redeveloper

2600-2602 Wharton Street

**NAME OF DEVELOPER/APPLICANT:** Neighborhood Gardens Trust, a 501(c)3

**Nature of Transaction:** Selection of Neighborhood Gardens Trust ("NGT") as redeveloper proposing to develop an urban garden, located in the Grays Ferry neighborhood.

**Mailing Address:** 100 N. 20<sup>th</sup> Street, 5<sup>th</sup> Floor, Philadelphia, PA 19103

**PROPERTY INFORMATION:** 2600-2602 Wharton Street

**Description:** 1,736 sq. ft., vacant lot      **Zoning:** RSA-5      **Use:** Urban Garden

**Disposition Price:** \$55,000

Price was determined by an independent appraisal. To support and continue its mission of increasing and preserving community gardens throughout the City, NGT is purchasing 2600-2602 Wharton Street for development as an open space/garden. The Authority will convey 2600-2602 Wharton Street to NGT and, provided the improvements are completed in accordance with the Redevelopment Agreement, the Authority will issue a Certificate of Completion per the terms of the Redevelopment Agreement.

Once developed, NGT anticipates swapping 2600-2602 Wharton Street with a private developer that recently purchased a similar sized parcel located at 2702-2704 Wharton Street where a Peace Garden has been planned. NGT, upon taking title to 2702-2704 Wharton Street, will complete development of the Peace Garden on that parcel.

NGT has agreed to enter into a side agreement with the Authority which will require NGT to record a document restricting 2702-2704 Wharton Street to garden and related uses.

**COMMENTS OR OTHER CONDITIONS:**

NGT is compliant with the City of Philadelphia Revenue Department and has no outstanding tax obligations, conflicts of interest, or unresolved violation of City L&I codes. Per Chapter 17-1600 of the Philadelphia Code an Economic Opportunity Plan is not required for this project given the construction budget is under \$100,000. NGT is encouraged to make a best and good faith effort to employ and document its effort to hire MBE, WBE and DBE registered businesses.

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

Prepared by: Jessie Lawrence, Project Manager  
Reviewed by: Gregory Heller

**PROPOSED BOARD FACTSHEET**

Meeting of February 14, 2018

Selection of Redeveloper

522 Mercy Street

**NAME OF DEVELOPER/APPLICANT:** Neighborhood Gardens Trust, a 501(c)3**Nature of Transaction:** Selection of Neighborhood Gardens Trust ("NGT") as redeveloper proposing to develop an urban garden located in South Philadelphia.**Mailing Address:** 100 N. 20<sup>th</sup> Street, 5<sup>th</sup> Floor, Philadelphia, PA 19103**PROPERTY INFORMATION:** 522 Mercy Street**Description:** 630 sq. ft., vacant lot      **Zoning:** RSA-5      **Use:** Urban Garden**Disposition Price:** \$56,000

Price was determined by an independent appraisal. To support and continue its mission of increasing and preserving community gardens throughout the City, NGT is purchasing 522 Mercy Street for development as an open space/garden. The Authority will convey 522 Mercy Street to NGT and, provided the improvements are completed in accordance with the Redevelopment Agreement, the Authority will issue a Certificate of Completion per the terms of the Redevelopment Agreement.

Once developed, NGT anticipates swapping 522 Mercy Street with a private developer that owns a similar sized parcel located at 538 Mercy Street where a garden currently exists. NGT, upon taking title to 538 Mercy Street, will preserve and manage the existing garden on that parcel.

NGT has agreed to enter into a side agreement with the Authority which will require NGT to record a document restricting 538 Mercy Street to garden and related uses.

**COMMENTS OR OTHER CONDITIONS:**

NGT is compliant with the City of Philadelphia Revenue Department and has no outstanding tax obligations, conflicts of interest, or unresolved violation of City L&I codes. Per Chapter 17-1600 of the Philadelphia Code an Economic Opportunity Plan is not required for this project given the construction budget is under \$100,000. NGT is encouraged to make a best and good faith effort to employ and document its effort to hire MBE, WBE and DBE registered businesses.

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

Prepared by: Jessie Lawrence, Project Manager  
Reviewed by: Gregory Heller

**BOARD FACTSHEET**

Meeting of February 14, 2018

Modification to Resolution No. 2017-27

1029-1031 Mount Vernon Street and 1028 Lemon Street

**NAME OF DEVELOPER/APPLICANT:** Yung King Lau

**Nature of Transaction:** The Board is requested to modify Resolution No. 2017-27, adopted on April 12, 2017, selecting Yung King Lau as developer for properties located at 1029-1031 Mount Vernon Street and 1026-1028 Lemon Street, located the City's West Poplar neighborhood.

Today the Board is asked to modify Resolution No. 2017-27 to approve the following:

1. Remove the property known as 1026 Lemon Street from the conveyance;
2. Decrease the purchase price of these properties from \$255,000 to \$195,000. The reduction in purchase price was calculated based on a reduction equal to the appraised value of 1026 Lemon Street;
3. Approval of the revised plans which decreases the project's garage proposed on the Lemon Street properties.

**Mailing Address:** 2019 S. 4<sup>th</sup> Street, Philadelphia, PA 19148

**PROPERTY INFORMATION:** 1029-1031 Mount Vernon Street and 1028 Lemon Street

**Description:** 2800 sq. ft., vacant lot      **Zoning:** RSA-5      **Use:** Residential

**Disposition Value:** \$195,000.00

**BACKGROUND:**

The sale of the Premises is being handled as a direct sale to applicant; therefore, the disposition price was established through an independent appraisal. By way of Resolution No. 2015-50, adopted on May 13, 2015, the Board selected the applicant as the Redeveloper of 1029-1031 Mount Vernon Street and 1026-28 Lemon Street, to construct a single-family home. On April 12, 2017, this Resolution was modified by way of Resolution No. 2017-27 to increase the sale price from \$195,000.00 to \$255,000.00; staff determined the appraised fair market value did not account for the square footage of 1026 Lemon Street.

After further review, staff now recommends the removal of 1026 Lemon Street from the development assemblage. The District Council Office has been notified of these changes. Because the Redevelopment Agreement has not been executed by all parties, changes will be made to that document rather than requiring an amendment.

**COMMENTS OR OTHER CONDITIONS:**

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

The Developer is compliant with the City of Philadelphia Revenue Department and has no outstanding tax obligations, conflicts of interest or unresolved violation of City L&I codes. Per Chapter 17-1600 of the Philadelphia Code, the 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 & uses, site map and photographs).

Prepared by: Jessie Lawrence

Reviewed by: Gregory Heller



## **BOARD FACTSHEET**

Meeting of February 14, 2018

Loan Modification

Southwark Plaza Limited Partnership

### **TRANSACTION SUMMARY:**

Resolution authorizing the Authority's consent to a modification of Resolution No. 2016-75, adopted on June 8, 2016, which authorized the transfer, assumption, modification and subordination of an Authority loan to permit the preservation of affordable rental units.

### **BACKGROUND INFORMATION:**

In December, 1997, the Authority provided a loan in the amount of Three Million Dollars (\$3,000,000) ("Authority Loan") to Southwark Plaza Limited Partnership for the development of various properties located at 4th and Washington in the Queen Village area of South Philadelphia. In 2016, after the Low Income Housing Tax Credit compliance period had ended, Michaels Development Company, in partnership with the Philadelphia Housing Authority, developed a preservation plan ("Courtyard Preservation Project") in order to make much needed capital improvements to the site. The Courtyard Preservation Project is being developed by a newly created tax credit partnership, Courtyard Preservation, LP ("Courtyard Partnership").

Pursuant to Resolution No. 2016-75, adopted on June 8, 2016, the Authority was authorized to accept a partial payment of the Authority Loan in an amount equal to 50% of the acquisition developer fee determined at the time of the Courtyard Preservation Project loan closing, with the balance of the Authority Loan being assumed by the Courtyard Partnership. The Courtyard Preservation Project closed on the financing on December 21, 2016. The Authority received a payment in the amount of \$1,575,000 and Courtyard Partnership executed a Note in the amount of \$1,425,000. As a result of the turmoil in the tax credit market, tax credit pricing dropped, resulting in a funding gap. The City has been requested to accept \$300,000 less and to increase the Authority Loan by \$300,000.

### **BOARD ACTION REQUESTED:**

Allow the Authority's payment to be reduced by \$300,000 and increase the Authority Loan by \$300,000.

All other terms and conditions of Resolution No. 2016-75 remain in full force and effect.

Proposed Resolution is attached

Prepared by: Darci Bauer, Director Housing Finance  
 Reviewed by: Gregory Heller, Executive Director



## BOARD FACTSHEET

Meeting of February 14, 2018

Foulkrod Apartment Associates & Edgewood Manor Associates II, L.P.  
Mortgage Payoff Requests

### **TRANSACTION SUMMARY**

Mortgage payoff request that includes forgiveness of accrued interest on two Authority loans in connection with the sale of the Foulkrod Apartments and Edgewood Manor II developments (collectively, "Projects"). A Declaration of Restrictive Covenant will be recorded against the land to assure affordability for a fifteen (15) year period after the sale.

### **BACKGROUND**

#### **Edgewood Manor Associates II, L.P. ("Edgewood Borrower")**

In 1995, the Philadelphia Redevelopment Authority (the "Authority") provided a loan to Edgewood Borrower ("Edgewood Loan") secured by a mortgage ("Edgewood Mortgage") evidenced by a note ("Edgewood Note") in the amount of \$1,275,000. The proceeds of the Edgewood Loan provided a portion of the financing for the rehabilitation of fifty-six (56) units of permanent rental housing for low income residents located at 1508 West Allegheny Avenue (the "Edgewood Property"). The Edgewood Note is at 5% interest for a term of forty (40) years.

#### **Foulkrod Apartment Associates ("Foulkrod Borrower")**

In 1995, the Authority provided two loans to Foulkrod Borrower (collectively, "Foulkrod Authority Loans") secured by two mortgages (the "FHA Mortgage" and the "Foulkrod Mortgage") in the aggregate amount of \$1,166,000, evidenced by two notes in the respective amounts of \$610,000 ("FHA Note") and \$556,000 ("Foulkrod Note"). The proceeds of the Foulkrod Authority Loans provided a portion of the financing for the rehabilitation of fifty-two (52) units of permanent rental housing for low income residents located at 1330-1346 Foulkrod Street (the "Foulkrod Property"). The FHA Note was provided under the Authority's Risk Sharing Program. The FHA Mortgage will be satisfied upon receipt of final payment by the trustee. The Foulkrod Note is at 7% and is due and payable on August 1, 2026.

The Projects' fifteen year low income housing tax credit compliance periods are over and Edgewood Borrower and Foulkrod Borrower (collectively, "Borrower"), which are controlled by Ingerman Properties, would like to sell the Projects to Willow Apartments LP and Edgewood Apts LP, affiliates of Odin Properties (the "Buyer"). The Borrower has requested that the Authority accept as full payment of the Foulkrod Note and Edgewood Note the full principal amount of the notes and, respectively, \$146,000 and \$280,000 of the accrued interest. After review of the Projects' financials and net sales proceed analysis, the Authority has established that this is a reasonable request.

To assure affordability of the Projects for fifteen (15) years, the Authority is requiring that the Buyer execute and record a Declaration of Restrictive Covenant against the Projects. The Buyer owns and manages approximately two thousand (2000) units of rental housing including two (2) properties adjacent to the Foulkrod Apartments that contain one hundred sixty-four (164) units, as well as two (2) properties in the proximity to Edgewood Manor II that contain three hundred eighty-four (384) units.

**BOARD ACTION**

The Board is asked to consent to the following:

- Forgive a portion of accrued interest and, upon payment of the principal balance, cancel the Foulkrod Note and Edgewood Note and satisfy the Foulkrod Mortgage and Edgewood Mortgage

Proposed Resolution is attached

Prepared by: Darci Bauer, Director Housing Finance  
Reviewed by: Gregory Heller, Executive Director