

PHILADELPHIA REDEVELOPMENT AUTHORITY

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

**BOARD MEETING
WEDNESDAY, FEBRUARY 13, 2019**

Open Session – 4:00 P.M.

A G E N D A

APPROVAL OF BOARD MINUTES

- (a) Meeting of January 09, 2019

I. EXECUTIVE DIRECTOR'S REPORT

II. ADMINISTRATIVE

- (a) Nelson Recreation Center Roof Replacement
Munn Roofing Corporation
301 W. Cumberland Street
Approval of Construction Contract
- (b) Moss Playground Renovation
D'Angelo Bros., Inc.
5700 Torresdale Avenue
Approval of Construction Contract
- (c) Gifford Playground Renovation
BSI Construction, LLC
575 Tomlinson Road
Approval of Construction Contract
- (d) General Legal Services
Mattioni, Ltd.
First Amendment to Legal Services Contract
- (e) Lower Germantown Foreclosure Actions
**Authorization to Execute Joint Stipulation and Settlement Agreement
with Bankruptcy Trustee**

AGENDA

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III. DEVELOPMENT

- (a) Kensington North of Lehigh Redevelopment Area
Benedicto Ventura
2250 E. Cambria Street
Selection of Redeveloper

- (b) New Kensington-Fishtown Urban Renewal Area
Edmond Farley
2515 Salmon Street
Selection of Redeveloper

- (c) Whitman Urban Renewal Area
Joshua Cohen
2432 S. Lee Street
Selection of Redeveloper

- (d) Germantown Redevelopment Area
Neighborhood Gardens Trust
65 W. Penn Street
Selection of Redeveloper

- (e) American Street Industrial Corridor Urban Renewal Area
1700 North 3rd Street LLC
1702 N. 3rd Street
Selection of Redeveloper

IV. HOUSING FINANCE / NSP

- (a) Casa Indiana
Casa Indiana LLC
2935-65 N. 2nd Street
**Non-Recourse Construction/Permanent
Loan Agreement**

- (b) Liberty52 LP
5208-28 Poplar Street & 616-36 N. 52nd Street
Liberty Housing Development Corp.
**Non-Recourse Construction/Permanent
Loan Agreement**

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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, January 9, 2019, 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; James Cuorato, Vice Chair; Duane Bumb, Secretary; Rob Dubow, Treasurer; and Maria Duque-Buckley, 2nd Vice Chair and Assistant Secretary.

The following members of the Authority staff were present: Gregory Heller, Ryan D. Harmon, Esquire, Karanja Slaughter, Larry Padilla, Jane Allen, Tracy Pinson-Reviere, Darci Bauer, Julia Guerrero, Zoe Linder-Baptie, Ali Mooney and Elizabeth Bonaccorso.

Also in attendance: Jacqueline Dunn, City Finance Department; Victor Szwanki, KML Carpenters; Harry Sigley, CMTS, LLC; and Jamila Davis, DHCD.

ANNOUNCEMENTS

None.



MINUTES

Ms. Fadullon called for a motion to approve the minutes of the Board meeting of December 12, 2018.

Upon motion made and duly seconded, the minutes of December 12, 2018 were approved.



EXECUTIVE DIRECTOR'S REPORT

Mr. Heller stated that the PRA is pleased to welcome two new staff members. Ali Mooney is a Housing Development Officer in the Housing Finance Department. Zoë Linder-Baptie is a Project Manager in the Development Department.

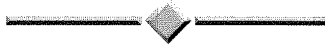
Next, Mr. Heller stated that the Authority currently is working on several Requests for Proposals (each, an "RFP").

First, Mr. Heller stated that an RFP has been posted for qualified contractors to carry out the design, construction, operation, and maintenance of a Compressed Natural Gas fueling station at the facility located at 3030 South 63rd Street. These responses are due by January 24, 2019.

Next, Mr. Heller stated that the second RFP posted is for qualified prime contractors to carry out renovations to Gifford Playground located at 575 Tomlinson Road. This project is part of the City's Rebuild program. These responses are due by January 24, 2019.

Next, Mr. Heller stated that the third RFP posted is for qualified prime contractors to carry out renovations to Moss Playground located at 5700 Torresdale Avenue. This project is part of the City's Rebuild program. These responses are due by January 11, 2019.

Finally, Mr. Heller stated that the Authority has solicited competitive bids for the purchase and development of twenty-five (25) individual vacant lots. These properties are located in the 1st Council District. The responses are due by January 31, 2019.



ADMINISTRATIVE

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

Additional Comments and Discussion

Mr. Cuorato recused himself from voting because of a conflict of interest.

Board Action

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

RESOLUTION NO. 2019-01

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 13, 2019 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. Bumb, Ms. Duque-Buckley and Mr. Dubow.

One (1) abstention: Mr. Cuorato.



Ms. Fadullon stated for the record that Item II (b) is being tabled at this time because the Board has several questions that need to be addressed and additional information is required. Ms. Fadullon further stated that this item would be presented at the Board of Directors meeting in February.



Mr. Harmon presented "Item II (c) – Approval of Guaranty Agreement with the Reinvestment Fund a/k/a Reinvestment Fund, Inc. (Loan to Innova Redevelopment, LLC)" in substance consistent with the attached Fact Sheet hereto.

Additional Comments and Discussion

Mr. Harmon distributed a revised Fact Sheet and Resolution to the Board members and to the public. Mr. Harmon stated that the revision was not substantive - the developer was incorrectly identified at one point on each of the documents.

Board Action

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

RESOLUTION NO. 2019-02

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 INNOVA REDEVELOPMENT, 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 Innova Redevelopment, LLC ("Innova") in an amount not to exceed Two Million Seventy-Five Thousand Dollars (\$2,075,000) (the "Loan"), as part of the Authority's workforce housing credit enhancement program (the "CE Program"); and

WHEREAS, the Loan will be used by Innova to construct and develop twenty (20) single-family, workforce housing units comprised of one (1) single-family home, eight (8) duplexes and one (1) triplex located in South Philadelphia (the "Project").

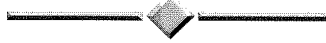
NOW THEREFORE, BE IT RESOLVED, by the Philadelphia Redevelopment Authority, that authorization is hereby given to enter into a Guaranty Agreement wherein the Authority will act as guarantor of a portion of the Loan in an amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000) ("Guaranty Amount"), 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. Cuorato, Mr. Bumb, Ms. Duque-Buckley and Mr. Dubow.



DEVELOPMENT

Ms. Pinson-Reviere presented "Item III (a) – Selection of Redeveloper, Joe Tirado, III" in substance consistent with the attached Fact Sheet hereto.

Additional Comments and Discussion

Mr. Cuorato raised a concern with regards to the length of time needed to complete construction on sideyards. Ms. Pinson-Reviere replied that these are standard completion periods given for sideyards. Mr. Padilla confirmed this is the standard timeframe used.

Board Action

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

RESOLUTION NO. 2019-03

RESOLUTION SELECTING JOSE TIRADO, III, AS REDEVELOPER OF 2159 MONMOUTH STREET LOCATED WITHIN THE KENSINGTON NORTH OF LEHIGH REDEVELOPMENT AREA

BE IT RESOLVED, by the Philadelphia Redevelopment Authority, that Jose Tirado, III, is hereby selected as Redeveloper of 2159 Monmouth Street, located within the Kensington North of Lehigh 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 Two Thousand Eight Hundred Dollars (\$2,800.00); 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.



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 4:21 P.M.

SECRETARY TO THE BOARD



BOARD FACTSHEET

Meeting of January 9, 2019

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

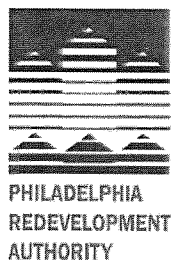
PROJECT INFORMATION: 12th and Market HeadHouse Condominium (Reading Terminal HeadHouse)

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 12th 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 January 9, 2019

Artist Services Agreement with Bedo Productions Incorporated
6200 blocks of Osage Avenue and Pine Street

NAME OF DEVELOPER/APPLICANT: Bedo Productions Incorporated

Nature of Transaction: The Board is asked to authorize a resolution to approve an Artist Services Agreement with Bedo Productions Incorporated, to provide appropriate works of fine arts in accordance with the Authority's Percent for Art Program dated October 20, 2016 (the "Program"), for the project and properties located at the 6200 block of Osage Avenue and Pine Street (the "Properties").

Legal Entity/Other Partners (if applicable): Bedo Productions Incorporated

Mailing Address: PO Box 63544, Philadelphia PA 19147

PROPERTY INFORMATION: 6200 blocks of Osage Avenue and Pine Street

CONTRACT VALUE: An amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000)

COMMENTS OR OTHER CONDITIONS: The PRA is currently working with AJR Endeavors ("AJR") on a community-driven Percent for Art project pursuant to the Program associated with the renovation of the homes on the Properties. Pursuant to the Program, developers either pay for the art project directly or make the contribution to the PRA who in turn pays for the project. In this case, since the art may be included in the public right-of-way, the decision was made for PRA to administer the funds intended to pay for the art project.

In early 2018, the PRA issued a public Request for Qualifications ("RFQ") to Philadelphia-based artists and artistic teams. RFQ respondents attended a mandatory site visit and a facilitated meeting with neighbors before creating a proposal for the project. In August 2018, four (4) artists/artist teams presented their proposals for the project to a selection committee that was comprised of representatives from AJR, a neighbor from Osage Avenue, and the PRA's standing Art Committee. The artists Yvonne Latty and Shelley

Spector (who comprise Bedo Productions Incorporated) were chosen for the project by the selection committee.

The artists propose a project that will include several components. First, Yvonne Latty, a documentary filmmaker, will research the history of these blocks of Osage Avenue and Pine Street through interviews with current and former neighbors. These conversations will be recorded and used to create a fifteen (15) minute documentary about the neighbors and their hopes for the future. Shelley Spector will create a text-based series of sculptures that will feature quotes from the neighbor interviews. These sculptures will mimic everyday elements that one might find on a street - for example, a street sign that is in the style of a "No Parking" sign, but reads: "Looking out for each other." The project will culminate with a catered dinner for neighbors and documentary participants, and a public outdoor screening of the documentary along with a curated tour of the art installation. The entire project will be documented online, and the documentary will be posted online.

Due to the fact that some elements of the art will be in the public right-of-way, PRA staff are consulting with pertinent public departments in order to ensure that the art elements are feasible, and to determine what approvals and/or permits may be required. The art will ultimately be maintained by the PRA.

Pursuant to the Artist Services Agreement, Bedo Productions Incorporated will be obligated to make required maintenance repairs to the sculpture component for three (3) years following the date of the Artist Services Agreement or the expenditure of Twelve Thousand Dollars (\$12,000), whichever is sooner.

The term of the Artist Services Agreement will be through the earlier of May 2, 2020, or upon expenditure of maximum compensation, which shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000).

Prepared by: Julia Guerrero, Director Percent for Art Program
Reviewed by: Larry H. Padilla, Senior Director

**BOARD FACTSHEET**

Meeting of January 9, 2019

Approval of Guaranty Agreement with The Reinvestment Fund
a/k/a Reinvestment Fund, Inc. (Loan to Innova Redevelopment, LLC)
Credit Enhancement Program

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

NAME OF BORROWER: Innova Redevelopment, 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 Innova Redevelopment, LLC ("Innova") in an amount not to exceed Two Million Seventy-Five Thousand Dollars (\$2,075,000) (the "Loan"). The Loan will be used by Innova to construct and develop twenty (20) single-family, workforce housing units comprised of one (1) single-family home, eight (8) duplexes and one (1) triplex located in South 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 November, 2018, was 7.57%). The specific properties included in the Project and securing the Loan are located at 1533 Latona Street, 1138 S. Sydenham Street, 1145 S. Sydenham Street, 1153 S. Sydenham Street, 1521 Reed Street, 1110-1112 S. 20th Street, 1118 S. 20th Street, 1124 S. 20th Street and 2002-2004 Annin Street (the "Properties").

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.

Innova submitted an RFP and was selected as developer of the Project by the Philadelphia Land Bank ("Land Bank") at the Land Bank's March 9, 2017 Board meeting.

Thereafter, on December 5, 2018, TRF and Innova 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 January 9, 2019
 Selection of Redeveloper
 2159 Monmouth Street

NAME OF DEVELOPER/APPLICANT: Jose Tirado, III

Nature of Transaction: Selection of developer to construct green space to be used for passive recreation located within the Kensington North of Lehigh Redevelopment Area.

Mailing Address: 2161 Monmouth Street, Philadelphia, PA 19134

PROPERTY INFORMATION: 2159 Monmouth Street

Description: 648 sq. ft., vacant lot **Zoning:** RSA-5 **Use:** Residential

Disposition Value: \$2,800.00

The property was advertised for sale at the request of the City of Philadelphia at an auction held on June 12, 2015. Jose Tirado, III ("Developer") was the highest bidder at auction.

FINANCING:

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

COMMENTS OR OTHER CONDITIONS:

Acquisition and commencement of construction of the proposed project is estimated to start in Spring, 2019, with construction completion by the fall of 2020.

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

Per Chapter 17-1600 of the Philadelphia Code, an Economic Opportunity Plan is not required for this transaction given the improvement budget is under \$100,000.

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

Prepared by: Tracy Pinson-Reviere, Project Manager II

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