

PHILADELPHIA REDEVELOPMENT AUTHORITY

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

**BOARD MEETING
WEDNESDAY, AUGUST 08, 2018**

Open Session – 4:00 P.M.

A G E N D A

APPROVAL OF BOARD MINUTES

- (a) Meeting of July 11, 2018

I. EXECUTIVE DIRECTOR'S REPORT

II. ADMINISTRATIVE

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- (a) **Approval of Grant Agreement with the City of Philadelphia, acting through its Department of Parks & Recreation and its Finance Department** (1)
- (b) **Approval of Subrant Agreement with the Philadelphia Authority for Industrial Development** (3)

III. DEVELOPMENT

- (a) **3369 Ridge Avenue
Conveyance to City of Philadelphia
Department of Parks & Recreation** (5)
- (b) **West Parkside Urban Renewal Area
Centennial Village LP
1724 N. Creighton Street
Amendatory Agreement** (11)
- (c) **Sansom Urban Renewal Area
125-135 S 46th Street Associates, LP
125 and 127-129 South 46th Street and 133-135 South 46th Street
Amendatory Agreement** (18)

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- (d) New Kensington-Fishtown Urban Renewal Area (24)
Mefail Kupa
128 Melvale Street
Selection of Redeveloper
- (e) New Kensington-Fishtown Urban Renewal Area (32)
Frankford Stacks, L.P.
2012-2018 Frankford Avenue
Amendatory Agreement
- (f) Mantua Urban Renewal Area (38)
WPRE V, LP
3712-20, 3713-28, 3723, 3729-33, 3735-39 &
3846 Melon St., and 653-655 N 38th Street
Selection of Redeveloper
- (g) New Kensington-Fishtown Urban Renewal Area (47)
Brian Skoblar
2215 E. Harold Street
Selection of Redeveloper
- (h) New Kensington-Fishtown Urban Renewal Area (52)
Theodore Marko
2217 E. Harold Street
Selection of Redeveloper
- (i) New Kensington-Fishtown Urban Renewal Area (57)
Brickstone Group, LLC
2068 E. Boston Street
Certificate of Completion

IV. HOUSING FINANCE/NSP

- Susquehanna Square (61)
Susquehanna Square LP
1601 Diamond Street, 2137 N. 15th Street,
2139 N. 15th Street, 2141 N. 15th Street,
2143 N. 15th Street, 2145 N. 15th Street,
2147 N. 15th Street, 2149 N. 15th Street,
2151 N. 15th Street, 2153 N. 15th Street,
2155 N. 15th Street, 2159 N. 15th Street,
2161 N. 15th Street, 2116 N. 16th Street,
2118 N. 16th Street, 2120 N. 16th Street,
2122 N. 16th Street and 2124 N. 16th Street
Non-Recourse Permanent Loan Agreement

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V. REAL ESTATE

Vacant Property Review Committee
Conveyance of Properties

(70)

PHILADELPHIA REDEVELOPMENT AUTHORITY

BOARD MEETING MINUTES

A meeting of the Board of Directors of the Philadelphia Redevelopment Authority was held on Wednesday, July 11, 2018, commencing at 4:18 P.M., in the offices of the Philadelphia Redevelopment Authority, being its regular meeting place, 16th floor, 1234 Market Street, Philadelphia, Pennsylvania, pursuant to proper notices.

ROLL CALL

The following members of the Board of Directors reported present: Anne Fadullon, Chair; James Cuorato, Vice Chair; Rob Dubow, Treasurer; and Duane Bumb, Secretary.

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

The following members of the Authority staff were present: Gregory Heller, Ryan D. Harmon, Esquire, Jessie Lawrence, Mary Fogg, Larry Padilla, Karanja Slaughter, Tracy Pinson-Revier, Bob LaBrum, Jane Allen and Elizabeth Bonaccorso.

Also in attendance: Steve Perzon, Citizen; Jill Roberts, Healthy Rowhouse Project; Allison Weiss, Solo/GCA; Connie Winters, Historic Germantown Properties; Robin Miller, Citizen; Kiki Bolender, Bolender Architects; Soad Mana, WCRP; and Angel Rodriguez, Philadelphia Land Bank.

ANNOUNCEMENTS

None.



MINUTES

Ms. Fadullon called for a motion to approve the minutes of the Board meeting of June 13, 2018.

Upon motion made and duly seconded, the minutes of June 13, 2018 were approved.



EXECUTIVE DIRECTOR'S REPORT

Mr. Heller stated that there are several items he wanted to present. First, Mr. Heller stated that a third and final public meeting for the Lower Eastwick Public Land Strategy is scheduled for Thursday, July 26th, at 6:00 P.M., at the Embassy Suites located at 9000 Bartram Avenue. For the past year and half, the Authority has been working with several other public agencies, our consultant team and hundreds of community members on a planning and feasibility study to determine the most responsible future redevelopment approach for about 200 acres of publicly owned land in Eastwick. The Authority is looking forward to soon concluding the planning phase and moving forward in reactivating this land, much of which has been vacant for nearly 60 years.

Next, Mr. Heller stated that the Authority is very excited to be moving ahead with one of our signature new programs - the Housing Preservation Loan Program - public-private partnership initiative that will create a new low-interest home repair loan that is affordable and accessible to low-, moderate-, and middle-income Philadelphians. Mr. Heller stated that on today's agenda we will be seeking authorization to enter into contracts with two banks and three program intermediaries—nonprofits who will provide support to homeowners seeking loans through the program. The Authority has selected the banks and intermediaries through a competitive process. Mr. Heller stated that the following banks were selected - Uninvest and Finanta, and the following program intermediaries were selected - Clarifi, Philadelphia Council for Community Advancement, and Public Health Management Corporation. Mr. Heller further stated that staff is looking forward to working with these partners to get this program operational this fall.

Next, Mr. Heller stated that staff held a day of service on June 29th with Habitat for Humanity at their homeownership development located at 16th and Diamond, on land acquired from the Authority. This was our second day of service at this project site. Mr. Heller stated that we value our relationship with Habitat and applaud them for the important work they do providing access to homeownership.

Next, Mr. Heller stated that the following RFP's have been issued or will be issued by Authority staff in the near future. Tomorrow, the Authority and Mission First will issue a request for qualifications for artists to carry out the Percent for Art project at New Market West - a large mixed-use project at 59th and Market. That RFQ is due on August 8th. Mr. Heller stated that the Authority has an open RFP seeking outside legal counsel for eminent domain litigation. This response is due on July 20th. Mr. Heller further stated that all RFPs are listed on PRA's website and you can sign up to receive emails whenever we release a new RFP also from our website.



ADMINISTRATIVE

Mr. LaBrum presented "Item II (a) – Professional Services Agreement with IEI Group, Ltd." 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. 2018-52

RESOLUTION AUTHORIZING THE PHILADELPHIA REDEVELOPMENT AUTHORITY, AS AGENT FOR THE CITY OF PHILADELPHIA, TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH IEI GROUP, LTD. FOR FURNITURE, FIXTURE AND EQUIPMENT SERVICES FOR 400 NORTH BROAD STREET, INCLUDING 1501 CALLOWHILL STREET

WHEREAS, the Philadelphia Redevelopment Authority, as agent for the City of Philadelphia, issued a Request for Proposals seeking responses from qualified firms willing and capable of providing furniture, fixture and equipment services for 400 North Broad Street, including 1501 Callowhill Street.

WHEREAS, IEI Group, Ltd. submitted its response to bids, outlining their extensive experience.

WHEREAS, IEI Group, Ltd. was the lowest, qualified bidder.

NOW THEREFORE, BE IT RESOLVED, by the Philadelphia Redevelopment Authority, the authorization is hereby given to the Authority's Executive Director to enter into a Professional Service Agreement, as agent for the City, with IEI Group, Ltd., to provide furniture, fixtures and equipment services for the property located at 400 North Broad Street, including 1501 Callowhill Street, with a maximum compensation not to exceed One Million Eighty-Eight Thousand Four Hundred Fifteen and 90/100 Dollars (\$1,088,415.90) (total base-bid plus 10% contingency).

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

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

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



Mr. LaBrum presented "Item II (b) – Master Construction Contract with Graboyes Commercial Window Company" 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. 2018-53

RESOLUTON AUTHORIZING THE PHILADELPHIA REDEVELOPMENT AUTHORITY, AS AGENT FOR THE CITY OF PHILADELPHIA, TO ENTER INTO A MASTER CONSTRUCTION CONTRACT WITH GRABOYES COMMERCIAL WINDOW COMPANY FOR THE PURCHASE AND INSTALLATION OF NEW WINDOWS FOR VARIOUS PUBLIC FACILITIES

WHEREAS, the Philadelphia Redevelopment Authority, as agent for the City of Philadelphia, issued a request for proposals seeking responses from qualified window contractors willing and capable of performing the purchase and installation of new windows for various public facilities.

WHEREAS, Graboyes Commercial Window Company submitted its response to bids, outlining their extensive experience.

WHEREAS, Graboyes Commercial Window Company was the sole responsive bidder.

NOW THEREFORE, BE IT RESOLVED, by the Philadelphia Redevelopment Authority, the authorization is hereby given to the Authority's Executive Director to enter into a Master Construction Contract, as agent for the City of Philadelphia, for a term not to exceed one (1) year, with Graboyes Commercial Window Company, for the purchase and installation of new windows for various public facilities, with a maximum compensation not to exceed One Million Dollars (\$1,000,000.00)

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

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

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



Mr. Harmon presented "Item II (c) – Release of Deed Covenants; 1153 S. Sydenham Street" 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. 2018-54

RESOLUTION AUTHORIZING THE RELEASE OF COVENANTS CONTAINED IN THE DEED FOR 1153 S. SYDENHAM STREET

BE IT RESOLVED, by the Philadelphia Redevelopment Authority, that solely with respect to 1153 S. Sydenham Street, the covenants contained in the deed between the Authority and Philadelphia Housing Development Corporation, dated April 10, 1986, may be released from the property; further authorizing the execution, delivery and recording of a Release for the property and the preparation of all other documentation necessary or desirable in order to carry out the foregoing.

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

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



Mr. Harmon presented "Item II (d) – Purchase and Management Agreement with Philadelphia Land Bank" in substance consistent with the attached Fact Sheet hereto.

Additional Comments and Discussion

Mr. Heller informed the Board that Philadelphia Land Bank Board of Directors must approve this agreement as well. Mr. Heller stated that the Land Bank Board of Directors meeting is scheduled for Thursday, July 12, 2018.

Mr. Heller stated that there is approximately \$100,000 worth of municipal liens against 5423-27 Lena Street.

Mr. Harmon explained that there is a nine (9) month right of redemption that is calculated from the date the Sheriffs sale deed is notarized.

Ms. Robin Miller addressed the Board asking if the Sheriffs sale will happen and if Land Bank will be successful in acquiring the property. Mr. Harmon replied that under Land Bank's authorizing statute, the Land Bank can place priority bids for Sheriffs sale properties for the amount of the outstanding liens and no other parties are permitted to bid.

Mr. Rodriguez (Executive Director of the Philadelphia Land Bank), stated the Land Bank has the right to a priority bid. Therefore, no other entity can bid against the Land Bank. Mr. Rodriguez stated that there is a Memorandum of Understanding between the City of Philadelphia, Land Bank, and the School District detailing the Land Bank's process with respect to Sheriffs sales.

Ms. Miller asked if the Land Bank intends to ultimately transfer the subject property to the Authority if it is able to acquire the subject property at the Sheriffs sale. Mr. Rodriguez replied yes.

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. 2018-55

RESOLUTION AUTHORIZING A PURCHASE AND MANAGEMENT AGREEMENT BETWEEN THE PHILADELPHIA LAND BANK AND THE PHILADELPHIA REDEVELOPMENT AUTHORITY AND SUBSEQUENT MANAGEMENT AGREEMENT BETWEEN THE PHILADELPHIA REDEVELOPMENT AUTHORITY AND THE PHILADELPHIA HOUSING AUTHORITY AND/OR THE PHILADELPHIA ASSET AND PROPERTY MANAGEMENT CORPORATION

WHEREAS, Section 16-705(3)(b) of the Philadelphia Code authorizes the Philadelphia Land Bank (the "Land Bank") to acquire tax delinquent properties at judicial sales conducted by, or on behalf of, the City of Philadelphia (the "City");

WHEREAS, the property located at and known as 5423-27 Lena Street, Philadelphia, Pennsylvania (the "Premises") is scheduled for judicial sale on July 18, 2018 (as may be postponed from time to time, the "Judicial Sale");

WHEREAS, the Philadelphia Redevelopment Authority (the "Authority") has requested that the Land Bank purchase the Premises and, once the necessary City Council resolution is obtained, to transfer and convey the Premises to the Authority all in accordance with the terms and conditions of a Purchase and Management Agreement ("PMA"), the material terms of which are set in the attached Fact Sheet;

WHEREAS, assuming the Land Bank is able to purchase the Premises at the Judicial Sale, until the Land Bank transfers and conveys the Premises to the Authority, the Authority will, among other things, manage the Premise in accordance with the terms and conditions of the PMA;

WHEREAS, the Authority further seeks authorization to enter into a management or similar agreement with the Philadelphia Housing Authority ("PHA") or its asset management company, Philadelphia Asset and Property Management Corporation ("PAPMC"), wherein PHA and/or PAPMC will manage the Premises at the Authority's cost and expense; and

WHEREAS, the Land Bank staff will be seeking approval from the Land Bank Board of Directors at its July 12, 2018 Board meeting to authorize acquisition of the Premises, conveyance of the Premises to the Authority and entering into the PMA with the Authority.

NOW THEREFORE, BE IT RESOLVED by the Philadelphia Redevelopment Authority, that authorization is hereby given to the Philadelphia Redevelopment Authority to finalize negotiations and enter into (i) the PMA with the Land Bank, (ii) a management agreement with PHA and/or PAPMC wherein PHA and/or PAPMC will manage the Premises at the Authority's cost and expense, all upon terms and conditions and substantially in conformance with the Fact Sheet presented to the Board and upon such other terms and conditions consistent therewith acceptable to the Executive Director and General Counsel.

FURTHER AUTHORIZING, that the Executive Director is hereby authorized, empowered and directed to perform any and all such acts and things, and to execute, acknowledge, deliver, file or record in any appropriate public offices, all ancillary agreements, documents, instruments and certifications as may be necessary or desirable in connection with accomplishing the purpose of this Resolution.

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

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



Mr. Heller presented "Item II (e) – Housing Preservation Loan Program" in substance consistent with the attached Fact Sheet hereto.

Additional Comments and Discussion

Mr. Heller stated for the record that the banks will be performing the home inspections rather than the Program Intermediaries. As such, Mr. Heller requested that the word "inspections" be taken out of the Fact Sheet and proposed Resolution with regards to the Program Intermediary scope of work.

Ms. Fadullon thanked Mr. Heller, Authority staff and the City Finance Department for their hard work. Ms. Fadullon also acknowledged the presence of Ms. Roberts, from the Healthy Rowhouse Project, and Ms. Bolender, and thanked them for their hard work and dedication.

Ms. Fadullon stated for the record that the Resolution would be amended reflecting the deletion of "inspections" from the program intermediary responsibilities.

Board Action

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

RESOLUTION NO. 2018-56

RESOLUTION APPROVING: (1) SERVICE AGREEMENT WITH THE CITY OF PHILADELPHIA RELATIVE TO THE FUNDING AND OPERATION OF THE HOME PRESERVATION LOAN PROGRAM; (2) BOND ISSUANCE TO FINANCE CERTAIN COSTS OF THE HOME PRESERVATION LOAN PROGRAM IN AN AMOUNT NOT TO EXCEED FORTY MILLION DOLLARS (\$40,000,000); (3) PROFESSIONAL SERVICE AGREEMENTS WITH FINANCIAL INSTITUTIONS AND PROGRAM INTERMEDIARIES RELATIVE TO HOME PRESERVATION LOAN PROGRAM

WHEREAS, the Housing Preservation Loan Program (the "**HPLP**") is an initiative of the City of Philadelphia (the "**City**") that will be administered by the Philadelphia Redevelopment Authority (the "**Authority**");

WHEREAS, the HPLP is proposed be funded with proceeds from one or more bonds issued by the Authority as previously authorized by City Council Bill No. 170878, which was passed by City Council on November 30, 2017 (the "**HPLP Ordinance**");

WHEREAS, the HPLP aims to increase access to low-interest loans for low-, moderate-, and middle-income ("**LMMI**") City residents who own homes in need of essential repairs;

WHEREAS, by providing low-interest loans and other services, the goals of the HPLP are:

- 1) to facilitate healthier, more accessible and more livable homes;
- 2) to repair the City's aging housing stock so that it contributes positively to the long-term growth of our communities; and
- 3) to provide access to low-cost financing, credit counseling, and other services for LMMI homeowners;

WHEREAS, the HPLP's activities will be supported by proceeds from Authority-issued bonds or other evidences of indebtedness (including reimbursement obligations related to lines or letters of credit) (the "**Obligations**") in an aggregate principal amount not to exceed Forty Million Dollars (\$40,000,000), net of original issue discount, plus amounts necessary for costs of issuance, amounts necessary to effect any refunding of Obligations, interest on the Obligations and costs of credit or liquidity enhancement, at any one time outstanding, in one or more series, either as taxable or tax-exempt obligations, to finance or refinance certain costs of the HPLP, interest on the Obligations, costs of credit or liquidity enhancement, amounts necessary to effect any refunding, and the costs of issuing the Obligations;

WHEREAS, the HPLP Ordinance authorized and approved the execution and delivery of a Service Agreement (the "**Service Agreement**") by and between the City and the Authority relative to the funding and operation of the HPLP;

WHEREAS, pursuant to the Service Agreement, the Authority will manage the HPLP, will issue the Obligations to fund the HPLP, will enter into a trust indenture ("**Indenture**") with a trustee for the purpose of issuing the Obligations, and will act as the City's agent to administer the HPLP and to perform any element thereof;

WHEREAS, based on a Request for Proposals issued by the Authority on December 26, 2017, the Authority sought responses from financial institutions to carry out the origination and servicing of loans under the HPLP;

WHEREAS, Authority staff selected Univest Bank and Trust Co. ("**Univest**") and FINANTA ("**FINANTA**") (together, the "**Financial Institutions**"), based on their responsiveness to the Request for Proposals and ability to carry out the goals of the HPLP;

WHEREAS, such Financial Institutions are expected to, among other things, originate loans, and directly following origination, assign or sell such loans to the Authority and the Authority will pay the Financial institutions the loan principal, plus an origination fee and a servicing fee;

WHEREAS, the Financial Institutions will then become the servicer of the loans held by the Authority and, in the event of delinquency, the Financial Institutions will be responsible for carrying out the Authority's preferred loss mitigation strategy;

WHEREAS, based on a Request for Proposals issued by the Authority on April 10, 2018, the Authority sought proposals for program intermediaries to provide an array of services

relative to the HPLP including marketing, intake, homeowner review, inspections, home health assessments, financial counseling (and/or counseling referrals), and other forms of technical assistance;

WHEREAS, Authority staff selected Public Health Management Corporation ("**PHMC**"), Philadelphia Council for Community Advancement ("**PCCA**"), and Clarifi ("**Clarifi**") (together, the "**Program Intermediaries**") (together, the "**Program Intermediaries**"), based on their responsiveness to the Request for Proposals and ability to carry out the goals of the HPLP;

WHEREAS, based on the above and the terms set forth in the attached Fact Sheet, Authority staff seeks authorization from the Board for the following matters:

1. The negotiation, execution and delivery of the Service Agreement by and between the City and the Authority relative to the funding and operation of the HPLP;
2. The issuance by the Authority of the Obligations in an aggregate principal amount not to exceed Forty Million Dollars (\$40,000,000);
3. The negotiation, execution and delivery of a Professional Services Agreement by and between the Authority and Univest for the origination and servicing of loans under the HPLP;
4. The negotiation, execution and delivery of a Professional Services Agreement by and between the Authority and FINANTA for the origination and servicing of loans under the HPLP;
5. The negotiation, execution and delivery of a Professional Services Agreement by and between the Authority and PHMC as a program intermediary to provide an array of services relative to the HPLP including marketing, intake, homeowner review, home health assessments, financial counseling (and/or counseling referrals), and other forms of technical assistance;
6. The negotiation, execution and delivery of a Professional Services Agreement by and between the Authority and PCCA as a program intermediary to provide an array of services relative to the HPLP including marketing, intake, homeowner review, home health assessments, financial counseling (and/or counseling referrals), and other forms of technical assistance; and
7. The negotiation, execution and delivery of a Professional Services Agreement by and between the Authority and Clarifi as a program intermediary to provide an array of services relative to the HPLP including marketing, intake, homeowner review, home health assessments, financial counseling (and/or counseling referrals), and other forms of technical assistance.

WHEREAS, the Board is willing to authorize Authority staff to pursue further negotiation with the City, the Financial Institutions and the Program Intermediaries and other appropriate parties in order to reach final agreement on all terms of the aforementioned agreements upon the terms and conditions stated in the attached Fact Sheet.

NOW THEREFORE, BE IT RESOLVED BY THE PHILADELPHIA REDEVELOPMENT AUTHORITY, that, based on the attached Fact Sheet, approval is given to the Authority staff for the following matters:

1. The negotiation, execution and delivery of the Service Agreement by and between the City and the Authority relative to the funding and operation of the HPLP;
2. The issuance by the Authority of the Obligations in an aggregate principal amount not to exceed Forty Million Dollars (\$40,000,000);
3. The negotiation, execution and delivery of a Professional Services Agreement by and between the Authority and Uninvest for the origination and servicing of loans under the HPLP;
4. The negotiation, execution and delivery of a Professional Services Agreement by and between the Authority and FINANTA for the origination and servicing of loans under the HPLP;
5. The negotiation, execution and delivery of a Professional Services Agreement by and between the Authority and PHMC as a program intermediary to provide an array of services relative to the HPLP including marketing, intake, homeowner review, home health assessments, financial counseling (and/or counseling referrals), and other forms of technical assistance;
6. The negotiation, execution and delivery of a Professional Services Agreement by and between the Authority and PCCA as a program intermediary to provide an array of services relative to the HPLP including marketing, intake, homeowner review, home health assessments, financial counseling (and/or counseling referrals), and other forms of technical assistance; and
7. The negotiation, execution and delivery of a Professional Services Agreement by and between the Authority and Clarifi as a program intermediary to provide an array of services relative to the HPLP including marketing, intake, homeowner review, home health assessments, financial counseling (and/or counseling referrals), and other forms of technical assistance.

FURTHER AUTHORIZING, that the Executive Director is hereby authorized, empowered and directed to perform any and all such acts and things, and to execute, acknowledge, deliver, file or record in any appropriate public offices, all ancillary agreements, documents, instruments and certifications as may be necessary or desirable in connection with accomplishing the purpose of this Resolution.

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

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



DEVELOPMENT

Mr. Padilla advised the Board that he is requesting Item III (a) be tabled at this time.



Mr. Lawrence presented – "Item III (b) – Assignment of Development Rights – Amending and Restating Resolution No. 2018-21, Adopted on March 14, 2018; 7411 Holstein Ave LLC" in substance consistent with the attached Fact Sheet hereto.

Board Action

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

**RESOLUTION NO. 2018-57
(Amending and Restating Resolution No. 2018-21, Adopted March 14, 2018)**

EASTWICK REDEVELOPMENT AREA, EASTWICK URBAN RENEWAL AREA – RESOLUTION AUTHORIZING THE ASSIGNMENT OF DEVELOPMENT RIGHTS FROM PIDC TO 7411 HOLSTEIN AVE LLC, UNDER CERTAIN TERMS AND CONDITIONS – RE: A PORTION OF PROPERTY KNOWN AS 7411 HOLSTEIN AVENUE IN THE VICINITY OF S. 76TH STREET AND HOLSTEIN AVENUE, EASTWICK STAGE A – PARCEL E

WHEREAS, the Philadelphia Redevelopment Authority entered into a Redevelopment Agreement with the Philadelphia Industrial Development Corporation ("PIDC"), the Philadelphia Industrial Development Corporation-Finance Corporation, and the Philadelphia Authority for Industrial Development ("PAID"), dated March 3, 1974, to provide for the redevelopment of Eastwick Urban Renewal Area, Industrial Stage A – Parcels A, B, C, D, E, F, I, J and K; and

WHEREAS, said Redevelopment Agreement provides that the redeveloper may indicate an assignee for all portions of the project area upon certain conditions and therein more fully set forth; and

WHEREAS, PIDC has submitted the name 7411 Holstein Ave LLC ("Assignee"), pursuant to said Agreement and has requested the Authority to approve same and consent to the transfer title of a portion of property known 7411 Holstein Avenue in the vicinity of S. 76th Street and Holstein Avenue, Eastwick Stage A – Parcel E (the "Assigned Parcel") to the Assignee hereinbefore set forth; and

WHEREAS, the Authority has carefully considered the request of the Redeveloper and examined the qualifications of the assignee and other related factors;

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

1. That 7411 Holstein Ave LLC ("Assignee") is approved as assignee of the Assigned Parcel.
2. The Assignee possesses the qualifications and financial resources to develop the Assigned Parcel in accordance with the Redevelopment Agreement, as amended and assigned.
3. That approval is hereby given to the disposition contract and the proposed method of disposition as most appropriate and prudent under the law and circumstances subject to a determination that the proposed assignment and transfer does not represent profit to PIDC and PAID.
4. That an assignment agreement is authorized to be entered into with the Assignee providing that the Assignee shall be bound to perform the obligations of PIDC and PAID in connection with the proposed development and to incorporate current Authority and City policies and regulations.
5. That the time for completion of construction shall be on or before September 30, 2019.
6. That PAID and PIDC shall be released from any and all development obligation from the Assigned Parcel.
7. That the assignment agreement and other necessary documentation is authorized to be executed, delivered and recorded.
8. That the revised preliminary plans as reviewed by the Authority are hereby approved and are to be incorporated into the assignment agreement.

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

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

Board Action

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



REAL ESTATE

Mr. Padilla presented "Item IV – Conveyance of Properties" in substance consistent with the attached Fact Sheet hereto.

Additional Comments and Discussion

Mr. Padilla distributed a revised Fact Sheet for 3867 Folsom Street to the Board, Authority staff and public.

Relating to the various properties being disposed to Community Ventures, Ms. Fadullon stated for the record that she understands the project will have an Economic Opportunity Plan (EOP) with combined goals of 35%.

Mr. Rodriguez from Philadelphia Land Bank advised the Board members that the 1200 S. Bucknell Street/2040 Titan Street/2046 Titan Street disposition will have an Economic Opportunity Plan (EOP) with combined goals of 35%. Ms. Fadullon asked if an EOP has been signed. Mr. Rodriguez stated the goals have been established but that the EOP has not yet been executed.

Ms. Fadullon stated for the record that the approval of the transfer of these dispositions to Community Ventures and Hayman Construction LLC will be subject to an executed and approved EOP.

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. 2018-58

VACANT PROPERTY REVIEW COMMITTEE PROGRAM - RESOLUTION AUTHORIZING ACCEPTANCE OF TITLE FROM THE CITY OF PHILADELPHIA TO VARIOUS PROPERTIES AND DISPOSITION OF SUCH PROPERTIES

WHEREAS, certain properties have been acquired by the City and determined to be surplus to the needs of the City;

WHEREAS, the Vacant Property Review Committee has recommended to the Commissioner of Public Property that the surplus property listed below be made available for disposition in accordance with the provisions of Section 16-400 of the Philadelphia Code;

WHEREAS, certain of the properties identified below will be conveyed for nominal consideration and others, all as identified below, will be conveyed at fair market value as determined by the City of Philadelphia's Office of Housing and Community Development.

NOW THEREFORE, BE IT RESOLVED by the Philadelphia Redevelopment Authority, that authorization is hereby given to the Authority to accept title from the City of Philadelphia for properties listed below and for the preparation, execution, acknowledgment and delivery of a deed to the Grantee(s) herein listed conveying the respective properties for a consideration of \$1.00:

<u>Address</u>	<u>Grantee(s)</u>
3341 N. Uber Street	Vanice N. Gopaul
5432 Norfolk Street	Shirley Harvey
3934 Dell Street	Bridget Anderson
1414 Vodges Street	Clyde Deloatch
2628 N. Douglas Street	Clinton Holland
2143 N. 15 th Street	Community Ventures c/o Steve Kaufman
2151 N. 15 th Street	Community Ventures c/o Steve Kaufman
2159 N. 15 th Street	Community Ventures c/o Steve Kaufman
2116 N. 16 th Street	Community Ventures c/o Steve Kaufman
2124 N. 16 th Street	Community Ventures c/o Steve Kaufman
1601 Diamond Street	Community Ventures c/o Steve Kaufman

FURTHER RESOLVING, that authorization is hereby given to the Authority to accept title from the City of Philadelphia for properties listed below and for the preparation, execution, acknowledgment and delivery of a deed to the Grantee(s) herein listed conveying the respective properties for the following consideration:

<u>Address</u>	<u>Grantee(s)</u>	<u>Appraised/LAMA Value</u>
2815 Boudinot Street	Iglesia de Deios Pentecostal M.I. Roca De Vida c/o Ramon Cruz	\$9,591.00
2817 Boudinot Street	Iglesia de Deios Pentecostal M.I. Roca De Vida c/o Ramon Cruz	\$9,6191.00
1200 S. Bucknell Street	Hayman Constructions, LLC c/o Felton Haymen	\$36,000.00
2040 Titan Street	Hayman Constructions, LLC c/o Felton Haymen	\$31,000.00
2046 Titan Street	Hayman Constructions, LLC c/o Felton Haymen	\$34,000.00

FURTHER RESOLVING that for each of the foregoing conveyances, the Philadelphia Redevelopment Authority will provide a non-self-amortizing loan in the amount of the purchase price for a term of 30 years at 0% interest that will be secured by a mortgage on the property.

<u>Address</u>	<u>Grantee(s)</u>	<u>OPA Value</u>
3867 Folsom Street	Evelyn Pankey	\$29,000.00
3017 N. 5 th Street	Elizabeth Cabrero	\$23,000.00
2271 N. Philip Street	HUNE c/o Maria Gonzalez	\$7,400.00

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

BE IT FURTHER RESOLVED that authorization is hereby given to the preparation execution, acknowledgment and delivery of any other documentation deemed necessary or desirable in order to carry out the foregoing under terms and conditions acceptable to Authority counsel.



NEW BUSINESS

Ms. Fadullon inquired if there was any new business for the Board.

Ms. Fadullon recognized Steve Perzon. Mr. Perzon wished to make the Authority staff aware that an art installation titled Milkweed Pod, located on the premises of 100 Independence Mall West, which was commissioned as part of the Authority’s Percent for Art Program, may be obstructed by a beer garden. Mr. Perzon requested if the Authority can look into this matter so that the art can be maintained in good condition with public access.

Mr. Heller thanked Mr. Perzon for bringing this matter before the Board. Mr. Heller stated that the Authority oversees hundreds of Percent for the Arts projects, and that as necessary some art has been moved and relocated depending on the circumstances. Mr. Heller further stated there is a designated staff person that would look into the matter and follow up.



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 4:49 P.M.

SECRETARY TO THE BOARD



BOARD FACTSHEET
 Meeting of July 11, 2018
 Approval of Professional Services Agreement
 Furniture, Fixtures and Equipment Services
 400 North Broad Street

NATURE OF TRANSACTION:

The approval of a professional service agreement between the Philadelphia Redevelopment Authority (the "Authority"), as agent for the City of Philadelphia (the "City"), and IEI Group, Ltd. to provide furniture, fixtures and equipment services for 400 North Broad Street, including 1501 Callowhill Street (the "Property").

SELECTION PROCESS:

On April 13, 2018, the Authority solicited proposals from qualified firms to provide furniture, fixtures and equipment services for the Property which is currently being developed by 400 North Broad Partners, L.P., and will be delivered as a turnkey project for the City Police Department and other City agencies to occupy.

The PRA received three (3) bids from qualified contractors. IEI Group, Ltd. has been accepted as the lowest responsible bidder.

IEI Group, Ltd.

428 N. 2nd Street
 Philadelphia, PA 19123
 Certified "WBE" Firm
 Rosemary Español, President
 Base Bid: \$989,469.00

BACKGROUND/FINANCING:

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

Proposed Resolution and supporting project information are attached.



BOARD FACTSHEET
 Meeting of July 11, 2018
 Approval of Master Construction Contract
 Purchase and Installation of New Windows for
 Various Public Facilities

NATURE OF TRANSACTION:

The approval of a master construction contract between the Philadelphia Redevelopment Authority (the "Authority"), as agent for the City of Philadelphia (the "City") and Graboyes Commercial Window Company ("Graboyes") for the purchase and installation of new windows for various public facilities. The contract will have a term of up to one year and not exceed One Million Dollars (\$1,000,000).

SELECTION PROCESS:

On May 24, 2018, the Authority solicited proposals from qualified window installation firms for the purchase and installation of new windows for various public facilities. Graboyes was the sole, responsive bidder.

Graboyes Commercial Window Company.

4050 S. 26th Street, Suite 160
 Philadelphia, PA 19112
 Ellis G. Guiles, Owner/President
 Newport Beach, CA 92660
 EOP: 100% MBE

BACKGROUND/FINANCING:

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

Proposed Resolution and supporting project information are attached.


BOARD FACTSHEET

Meeting of July 11, 2018

Release of Deed Covenants

1153 S. Sydenham Street, Philadelphia, Pennsylvania

NAME OF DEVELOPER/APPLICANT: Philadelphia Housing Development Corporation ("Redeveloper")

NATURE OF TRANSACTION: The Board is asked to authorize the release of Deed Covenants (defined below) that the Authority included in its deed to the Redeveloper dated April 10, 1986 (the "Deed"), solely with respect to 1153 S. Sydenham Street, Philadelphia, PA (the "Property").

BACKGROUND: By Resolution No. 12,861 adopted on January 8, 1986 and Resolution No. 12,911 adopted on April 2, 1986, the Board authorized the conveyance of the Property to the Redeveloper in order for the Redeveloper to either rehabilitate the Property or convey the Property to a grantee who would be required to rehabilitate the Property. The Property was conveyed to the Redeveloper by the Deed, which contained covenants regarding the required development, use, transfer, encumbrance, and occupancy of the Property (collectively, "Deed Covenants"). The rehabilitation of the Property either by the Redeveloper or a subsequent grantee never occurred.

The Redeveloper was required to convey the Property back to the Authority when it was unable to complete the rehabilitation of the Property or find a buyer for the Property, but the Redeveloper unintentionally conveyed the Property to the Philadelphia Land Bank (the "Land Bank") on December 9, 2015 for nominal consideration. The Land Bank recently entered into a Purchase and Development Agreement with 1153 S. Sydenham LLC (the "Developer") that requires the Developer to develop the Property as part of a workforce housing development that will consist of twenty (20) units and will be sold to homebuyers whose household income will not exceed one hundred and twenty percent (120%) of the area median income. The Developer has requested the Authority to release the Deed Covenants.

Because the Redeveloper is a non-profit housing corporation incorporated by the City of Philadelphia who conveyed the Property for nominal consideration to the Land Bank, a public body and a body corporate and politic similar to the Authority, who in turn has imposed a development obligation on the Developer with respect to the Property, the Board is requested to authorize the release of the Deed Covenants.

Prepared by: Ryan Harmon
 Reviewed by: Gregory Heller



BOARD FACTSHEET

Meeting of July 11, 2018

Purchase and Management Agreement Between the Philadelphia Land Bank and the Philadelphia Redevelopment Authority and Subsequent Management Agreement between the Philadelphia Redevelopment Authority and the Philadelphia Housing Authority and/or the Philadelphia Asset and Property Management Corporation

NATURE OF TRANSACTION: Section 16-705(3)(b) of the Philadelphia Code authorizes the Philadelphia Land Bank (the "Land Bank") to acquire tax delinquent properties at judicial sales conducted by, or on behalf of, the City of Philadelphia (the "City").

The property located at and known as 5423-27 Lena Street, Philadelphia, Pennsylvania (the "Premises") is scheduled for judicial sale on July 18, 2018 (as may be postponed from time to time, the "Judicial Sale"). The Philadelphia Redevelopment Authority (the "Authority") has requested that the Land Bank purchase the Premises and, once the necessary City Council resolution is obtained, to transfer and convey the Premises to the Authority all in accordance with the terms and conditions of a Purchase and Management Agreement ("PMA"), the material terms of which are set forth below.

Assuming the Land Bank is able to purchase the Premises at the Judicial Sale, until the Land Bank transfers and conveys the Premises to the Authority, the Authority will, among other things, manage the Premise in accordance with the terms and conditions of the PMA. The Authority intends to enter into a sub-management or similar agreement with the Philadelphia Housing Authority ("PHA"), or its asset management company, Philadelphia Asset and Property Management Corporation ("PAPMC"), wherein PHA and/or PAPMC will manage the Premises at the Authority's cost and expense.

Land Bank staff will be seeking approval from the Land Bank Board of Directors at its July 12, 2018 Board meeting to authorize acquisition of the Premises, conveyance of the Premises to the Authority and entering into the PMA with the Authority.

REQUEST: The Authority seeks Board approval as follows:

1. The Executive Director is authorized to enter into and sign the PMA on behalf of the Authority, in form and substance acceptable to the Executive Director and General Counsel consistent with the following material terms, which must be executed by the Authority and Land Bank prior to the Judicial Sale:

- a. **Term:** The term of the PMA shall commence on the date the Land Bank acquires title to the Premises and shall end on the date title

Item II (d)

to the Premises is transferred to the Authority.

- b. Services: Upon Land Bank's acquisition of the Premises, the Authority shall perform, at its sole cost and expense, all things necessary for the day-to-day management, care, protection, safety and operation of the Premises (the "Management Services").
- c. Compensation: As consideration for the Management Services, the Land Bank shall pay the Authority One Hundred Dollars (\$100.00).
- d. Liability and Insurance. The Authority shall be solely responsible for all liability related to the Premises following Land Bank's acquisition of the Premises and shall maintain, at the Authority's expense, all insurance relating to the Premises and its management, excepting casualty insurance.
- e. Indemnification: The Authority shall indemnify and defend the Land Bank from and against, among other things, all liabilities, obligations, losses, fines, penalties, costs, expenses, claims, judgments, settlements, suits, etc., related to the Premises, the PMA, the Management Services, etc.
- f. Purchase/Transfer of Premises: Upon unconditional approval by the Vacant Property Review Committee, the Authority Board (which is sought by way of this Fact Sheet and corresponding Resolution), the Land Bank Board, and Philadelphia City Council, the Land Bank will transfer title to the Premises to the Authority.
- g. Purchase Price: The purchase price for the Premises is One Dollar (\$1.00), and will also include the Authority's payment of all real estate transfer taxes, prorated utility fees, recording fees and title insurance fees, if any, related to the transfer from the Land Bank to the Authority.
- h. As-is Condition: The Premises will be transferred to the Authority from the Land Bank in its "as-is" condition as of the settlement date.
- i. Settlement Date: Settlement will occur as soon as reasonably possible following confirmation of approval of the transaction by Philadelphia City Council.

2. Assuming the Land Bank acquires the Premises at the Judicial Sale, the Executive Director is authorized to enter into and sign a Management Agreement or similar agreement for a term of one (1) year with PHA and/or PAPMC, in form and substance acceptable to the Executive Director and General Counsel, which would permit PHA and/or PAPMC to manage the Premises on the Authority's behalf, with all such costs and liabilities related to such management being paid by the Authority.

Proposed Resolution and site map are attached.

Prepared by: Ryan Harmon
Reviewed by: Gregory Heller



BOARD FACTSHEET

Board Meeting of July 11, 2018

Housing Preservation Loan Program

Service Agreement with the City of Philadelphia; Bond

Issuance; Professional Service Agreements with Lenders and
Program Intermediaries

HOUSING PRESERVATION LOAN PROGRAM: The Housing Preservation Loan Program (the "**HPLP**") is an initiative of the City of Philadelphia (the "**City**") that will be administered by the Philadelphia Redevelopment Authority (the "**Authority**"). The HPLP will be funded with proceeds from one or more bonds issued by the Authority as previously authorized by City Council Bill No. 170878, which was passed by City Council on November 30, 2017 (the "**HPLP Ordinance**"). The HPLP aims to increase access to low-interest loans for low-, moderate-, and middle-income ("**LMMI**") City residents who own homes in need of essential repairs.

Evidence suggests that the lack of affordable and accessible loans for LMMI homeowners is a significant issue; about three (3) in five (5) residents of the City who applied for home repair loans between 2012 and 2014 were denied.¹ As a result, many City homeowners are living in houses with deferred maintenance issues that impact their health, quality of life, finances, and the stability of their communities. These homes may contain pathogens that increase respiratory conditions, asthma, lead poisoning, and other health problems. In addition, these homeowners may suffer from other significant issues such as lack of accessibility for the elderly and disabled, discomfort due to need for weatherization, and high energy bills due to inefficiency. Neighborhood stability is improved when residents have the resources to adequately maintain their properties.

By providing low-interest loans and other services, the goals of the HPLP are:

- 1) to facilitate healthier, more accessible and more livable homes;
- 2) to repair the City's aging housing stock so that it contributes positively to the long-term growth of our communities; and
- 3) to provide access to low-cost financing, credit counseling, and other services for LMMI homeowners.

The list of eligible repairs under the HPLP is intentionally designed to be broad, focused on health, energy savings, accessibility, safety, and quality-of-life improvements. Purely aesthetic repairs will be excluded (e.g., granite countertops without other repairs necessary to the kitchen). Repairs and materials must meet the requirements within the City Code or other applicable law. Eligible repairs include, but are not limited to:

¹ Home Mortgage Disclosure Act (HMDA) data, 2015.

- 1) Roof, siding, foundation, and masonry;
- 2) Sidewalk, driveway, and stair repair, replacement, or resurfacing;
- 3) Window and door repair and replacement;
- 4) Weatherization;
- 5) Bathroom, plumbing, sewer and waterline repairs and replacements;
- 6) HVAC system and water heater replacement;
- 7) Electrical repairs and circuit rewiring;
- 8) Mold and radon mitigation;
- 9) Termite or other pest damage; and/or
- 10) ADA Accessibility improvements and adaptive modifications.

BONDS AND SERVICE AGREEMENT: HPLP activities will be supported by proceeds from Authority-issued bonds or other evidences of indebtedness (including reimbursement obligations related to lines or letters of credit) (the "**Obligations**") in an aggregate principal amount not to exceed Forty Million Dollars (\$40,000,000), net of original issue discount, plus amounts necessary for costs of issuance, amounts necessary to effect any refunding of Obligations, interest on the Obligations and costs of credit or liquidity enhancement, at any one time outstanding, in one or more series, either as taxable or tax-exempt obligations, to finance or refinance certain costs of the HPLP, interest on the Obligations, costs of credit or liquidity enhancement, amounts necessary to effect any refunding, and the costs of issuing the Obligations.

The HPLP Ordinance authorized and approved the execution and delivery of a Service Agreement (the "**Service Agreement**") by and between the City and the Authority relative to the funding and operation of the HPLP. A copy of the form of Service Agreement that was approved by the City is attached hereto. Pursuant to the Service Agreement, the Authority will manage the HPLP, will issue the Obligations to fund the HPLP, will enter into a trust indenture ("**Indenture**") with a trustee for the purpose of issuing the Obligations, and will act as the City's agent to administer the HPLP and to perform any element thereof. The City agrees to pay, each fiscal year, the service fee for the HPLP to the trustee under the Indenture. The term of the Service Agreement will continue until all Obligations and all amounts required to be paid under the Indenture have been paid and fully satisfied.

FINANCIAL INSTITUTIONS: Based on a Request for Proposals issued by the Authority on December 26, 2017, the Authority sought responses from financial institutions to carry out the origination and servicing of loans under the HPLP. Authority staff selected Univest Bank and Trust Co. ("**Univest**") and FINANTA ("**FINANTA**") (together, the "**Financial Institutions**"), based on their responsiveness to the Request for Proposals and ability to carry out the goals of the HPLP. Such Financial Institutions are expected to, among other things, originate loans, and directly following origination, assign or sell such loans to the

Authority. The Authority will pay the Financial institutions the loan principal, plus an origination fee, a servicing fee and third-party costs. The Financial Institutions will then become the servicer of the loans held by the Authority. In the event of delinquency, the Financial Institutions will be responsible for carrying out the Authority's preferred loss mitigation strategy.

The roles and responsibilities of the Financial Institutions are as follows:

1. Accept loan applications from homeowners (assisted by Program Intermediaries (as defined below));
2. Manually underwrite loans and provide letters of pre-approval to homeowners;
3. Close loans with homeowners and assign or sell such loans to the Authority directly following loan closing;
4. Receive and send wired funds to and from the Authority;
5. Make progress payments to contractors (for smaller projects a single lump-sum payment may be appropriate). Loan funds will be remitted directly from the Financial Institutions to the contractor (rather than to the homeowner) based on an agreed-upon scope of work and progress schedule. All invoices will be reviewed and approved by the homeowner and Program Intermediaries. Depending on the scope of work, payment schedules may include up to two (2) progress payments.
6. Service loans;
7. Coordinate third-party inspections of the properties on which the loan funds are being used;
8. Meet monthly reporting requirements; and
9. Carry out the Authority's preferred loss mitigation strategy, if necessary.

The loans made by the Financial Institutions will be made to eligible homeowners based on the following terms:

- *Loan Amount:* \$2,500 - \$24,999
- *Interest Rate:* 3.00% fixed for the term of the loan;
- *Minimum Credit Score:* 580
- *Maximum Loan to Value (LTV):* 105% of post-rehab value—may be based on internal desk review valuation of value
- *Maximum Debt-to-Income (DTI):* 43%
- *Collateral:* Secured up to second-position mortgage
- *Term:* Ten (10) years
- *Underwriting:* Must be manual and will be subject to adjustments based on the performance of the portfolio
- *Default:* In event of delinquency, Financial Institutions must continue to service the loan until the Authority's preferred loss mitigation strategy has been fully exhausted

Eligible homeowners under the HPLP must meet certain minimum qualifications including, but not limited to:

- Household income not to exceed 120% of Philadelphia Area Median Income;
- Homeowner must possess clear title to the subject property;
- Homeowner must occupy the property as his/her primary residence;
- Homeowner must hold current homeowner's insurance; and
- Homeowner must be current on all City taxes (or be under an active payment agreement), and either (i) not have any other current liens or judgments by the City (with the exception of L&I violations relating to issues for which they are seeking the home repair loan), or (ii) is current in a payment agreement with the City.

The Authority and Financial Institutions will agree to the following additional terms:

- o Agree to the assignment or purchase of each loan immediately following origination;
- o Wire the appropriate Financial Institution the principal payment for each loan at closing or within fifteen (15) business days following closing;
- o Provide a one-time fee for origination to the respective Financial Institution in the amount of three hundred dollars (\$300.00);
- o Provide a monthly fee for servicing to the respective Financial Institution in the amount of Ten Dollars (\$10.00) per loan per month (\$10/loan/month);
- o Provide payment to Financial Institutions for the following necessary third-party costs:
 - a one-time fee for valuation to the respective Financial Institution in the amount of Seventy-Five Dollars (\$75.00);
 - a one-time fee for title search to the respective Financial Institution in the amount of One Hundred Fifty Dollars (\$150.00);
 - two (2) third-party inspections in the amount of Four Hundred Dollars (\$400.00) for each inspection per loan, with the allowance for an additional Four Hundred Dollars (\$400.00) per any additional inspections that may be required on larger home repair projects;
 - Provide a one-time recording fee to the respective Financial Institution pursuant to current county fee schedules (currently Two Hundred Twenty-Seven Dollars (\$227.00) in Philadelphia);
 - Provide a one-time credit report fee of Twenty-Five Dollars (\$25.00) to the respective Financial Institution;
- o The Financial Institution may not charge any other fees or pass-through any other costs to the homeowner.

Authority staff seeks authorization to enter into service agreements with the Financial Institutions based on the terms set forth above. The term of the service agreements for Financial Institutions will be three (3) years with one (1) three (3)-

year term of renewal. The service agreements may be terminated by either party without cause with 30-day's notice. However, in such event, the Financial Institutions will still be obligated to service any existing notes that were previously originated.

PROGRAM INTERMEDIARIES: Based on a Request for Proposals issued by the Authority on April 10, 2018, the Authority sought proposals for program intermediaries to provide services including marketing, intake/homeowner review, financial counseling (and/or counseling referrals), and other forms of technical assistance to the homeowners. Authority staff selected the Public Health Management Corporation ("**PHMC**"), Philadelphia Council for Community Advancement ("**PCCA**"), and Clarifi ("**Clarifi**") (together, the "**Program Intermediaries**"), based on their responsiveness to the Request for Proposals and ability to carry out the goals of the HPLP.

Program Intermediaries will be responsible for carrying out an annual RFP process and maintaining a list of pre-qualified contractors that homeowners may be referred to (homeowners will not be required to select contractors from this list). The pre-qualified contractors must, among other things, be current on all licenses and required trainings, must maintain the required insurance, must have no outstanding liens, judgements or taxes owed to the City or Commonwealth, must be able to finance the work through completion, satisfy reporting requirements and encourage and promote employment of qualified M/W/DBE Firms. "**M/W/DBE Firms**" are defined as, collectively, Minority Business Enterprises ("**MBE**"), Woman Business Enterprises ("**WBE**"), or Disabled Business Enterprises ("**DBE**").

The HPLP with respect to Program Intermediaries is designed based on a fee for service model. The Program Intermediaries have agreed to a fee for services in the amount of One Thousand Five Hundred Dollars (\$1,500) per closed loan. Payment will be made by the Authority to the Program Intermediaries on a quarterly basis.

PRA will provide six (6) months of upfront payment to Program Intermediaries based on an evidence-based estimate of expected loan volume for quarters one (1) and two (2). This payment will provide funding for Program Intermediaries to ramp up staffing and operations. If Program Intermediaries do not attain expected volume, they will not be obligated to repay the Authority. Thereafter funding will be made on a quarterly basis. The Authority will collect quarterly invoices from Program Intermediaries, which will include a report reflecting closed loan volume, portfolio performance, and payment due.

Authority staff seeks authorization to enter into service agreements with the Program Intermediaries based on the terms set forth above. The term of the service agreements for Program Intermediaries will be three (3) years with one (1) three (3)-year term of renewal. Program Intermediary fees will be fixed through the initial three (3) year service agreements and may be re-evaluated during renewal negotiations. The service agreements may be terminated by either party without cause with 30-day's notice.

REQUEST: Based on the above terms, Authority staff seeks authorization from the Board for the following matters:

1. The negotiation, execution and delivery of the Service Agreement by and between the City and the Authority relative to the funding and operation of the HPLP;
2. The issuance by the Authority of the Obligations in an aggregate principal amount not to exceed Forty Million Dollars (\$40,000,000);
3. The negotiation, execution and delivery of a Professional Services Agreement by and between the Authority and Univest for the origination and servicing of loans under the HPLP;
4. The negotiation, execution and delivery of a Professional Services Agreement by and between the Authority and FINATA for the origination and servicing of loans under the HPLP;
5. The negotiation, execution and delivery of a Professional Services Agreement by and between the Authority and PHMC as a program intermediary to provide an array of services relative to the HPLP including marketing, intake, homeowner review, inspections, home health assessments, financial counseling (and/or counseling referrals), and other forms of technical assistance;
6. The negotiation, execution and delivery of a Professional Services Agreement by and between the Authority and PCCA as a program intermediary to provide an array of services relative to the HPLP including marketing, intake, homeowner review, inspections, home health assessments, financial counseling (and/or counseling referrals), and other forms of technical assistance;
7. The negotiation, execution and delivery of a Professional Services Agreement by and between the Authority and Clarifi as a program intermediary to provide an array of services relative to the HPLP including marketing, intake, homeowner review, inspections, home health assessments, financial counseling (and/or counseling referrals), and other forms of technical assistance;

Proposed Service Agreement and Resolution is attached.

Prepared by: Ryan Harmon

Reviewed by: Gregory Heller

**BOARD FACTSHEET**

Meeting of July 11, 2018

Amendatory Agreement

125 and 127-29 South 46th Street and 133-135 South 46th Street**NAME OF DEVELOPER/APPLICANT:** 125-135 S 46th Street Associates, LP

Nature of Transaction: By Resolution No. 2016-108 adopted on October 20, 2016, the Board authorized the selection of 125-135 S 46th Street Associates, LP (“125”) for the construction of two (2) three story properties of multi-family rental housing, totaling 19 units.

The properties designated 125 and 127-129 South 46th Street will contain a total of twelve (12) units comprised of nine (9) – 2 bedrooms and three (3) – 3-bedroom units. Properties at 133-135 South 46th Street will contain a total of seven (7) units comprised of two (2) – 1 bedroom and five (5) – 3-bedroom units.

Due to problems with receiving zoning approval, construction was not able to start at 125 South 46th within three (3) months of settlement as mandated by the redeveloper agreement. This property has now received all the necessary approvals to begin construction, therefore the developer requests an amendment to the construction start and completion dates.

Today the board is requested to authorize a resolution to enable the following:

1. Extend the construction start date to August 1, 2018
2. Extend the construction completion date to February 1, 2020

Legal Entity/Other Partners (if applicable): 125-135 S 46th Street Associates, LP

- TLC Property GP, LLC – 1%
- Lomax Real Estate Partners, LP – 99%
 - Charles Lomax – Partner
 - Michael A. Bowman – Partner
 - Bennett Lomax – Partner
 - Philip Butler - Partner

Mailing Address: 200 Highpoint Drive, Suite 215, Chalfont, PA 18914**PROPERTY INFORMATION:** 125 and 127-129 South 46th Street
133-135 South 46th Street

Description: 125 South 46th Street = 1,600 sq. ft., vacant lot
127-129 South 46th Street = 2,000 sq. ft., vacant lot
133-135 South 46th Street = 3,966 sq. ft., vacant lot

Zoning: CMX-2 **Use:** Residential (Per Title 14 of the Philadelphia Code for detached properties - residential use regulations of the most restrictive adjacent district applies)

Disposition Value: \$270,000.00

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 – 18% and WBE – 7%.

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

Prepared by: Tracy Pinson-Reviere, Project Manager II

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

**BOARD FACTSHEET**

Meeting of July 11, 2018

Amendment to Resolution No. 2018-21, adopted on March 14, 2018

Assignment of Development Rights

Eastwick Stage A - Parcel E

Vicinity of S. 76th Street & Holstein Avenue

7411 Holstein Ave LLC

NAME OF DEVELOPER/APPLICANT: 7411 Holstein Ave LLC

Nature of Transaction: By Resolution No. 8206, adopted on October 16, 1972, the Board authorized an Agreement among the Authority, the Philadelphia Industrial Development Corporation ("PIDC"), and the Philadelphia Authority for Industrial Development ("PAID"), for the development of the Eastwick Urban Renewal Area, Pennsylvania Industrial Stage A – Parcels A, B, C, D, E, F, I, J and K (collectively, the "Original Premises"). All parties executed this Agreement on March 3, 1974.

By Resolution No. 2018-21, adopted on March 14, 2018, the Board approved the assignment of development rights from PIDC to YD Real Estate Development, LLC ("Original Developer") for a 2.8 acre subdivided portion of 7411 Holstein Avenue (the "Parcel"), located in the vicinity of S. 76th Street and Holstein Avenue. Original Developer is a South Philadelphia-based flooring and construction supply company that proposed to purchase the subdivided lot for development. Original Developer agreed to develop the subdivided lot into a 22,500 square foot single-story facility for warehousing, distribution, and manufacturing of flooring products, with ancillary office and showroom space (the "Project").

Nature of Request: Original Developer has determined that it will not perform the Project; rather, a wholly-owned entity owned by Original Redeveloper, 7411 Holstein Ave LLC ("Developer"), will take an assignment of the development rights from PIDC. PIDC has agreed to such replacement. The Board is requested to amend Resolution No. 2018-21, adopted on March 14, 2018, to substitute Developer for the Original Developer as the assignee of the development rights from PIDC. All other terms of Resolution No. 2018-21, adopted on March 14, 2018, shall remain unchanged.

Legal Entity/Other Partners: YD Hardwood, LLC
YD Real Estate Development, LLC

Mailing Address: 1900 Washington Avenue, Unit E., Philadelphia, PA 19146

PROPERTY INFORMATION: Vicinity of S. 76th Street and Holstein Avenue,
Eastwick Stage A – Parcel E, portion of 7411 Holstein Avenue

Description: 121,572 sq. ft., vacant lot **Zoning:** I-2 **Use:** Industrial

COMMENTS OR OTHER CONDITIONS:

The Parcel is part of the Eastwick Urban Renewal Area and subject to the Eastwick Urban Renewal Plan. PAID acquired this Parcel under its purchase of Eastwick Stage A – Parcel E from the Authority in 1984. The Parcel is a vacant, L-shaped 4.8-acre parcel with frontage on both Holstein Avenue and S. 76th Street and represents the only portion of Eastwick Stage – Parcel E remaining to be fully assigned by PIDC to a developer. It has been subdivided into 3 parcels composed of two (2) one-acre lots that will have frontage on S. 76th St. and one (1) 2.8-acre lot with frontage on Holstein Avenue.

Developer will pay Three Hundred Twenty-Five Thousand Dollars (\$325,000) for the subdivided portion of the Parcel and is concurrently developing this lot alongside two (2) other developers on the adjacent subdivided one-acre lots for which the Authority has already approved separate assignments of development rights by PIDC. In addition to those executed assignments which will allow for the development of modern light industrial facilities that will employ forty-eight (48) people, the execution of this assignment will allow Developer to double its current workforce of ten (10) employees. Developer is compliant with the City of Philadelphia Revenue Department and has no outstanding tax obligations, conflicts of interest, or unresolved violation of City L&I codes. Per Chapter 17-1600 of the Philadelphia Code, the Economic Opportunity Plan ranges have been set at MBE – 15%, WBE – 20%.

Proposed Resolution and supporting information are attached (sources & uses, map and aerial).

Prepared by: Jessie Lawrence
Reviewed by: Larry Padilla



BOARD FACTSHEET

Meeting of July 11, 2018

City of Philadelphia Vacant Property Review Committee

Nature of Transaction: PRA will facilitate the conveyance of title from the City to identified Grantees listed below.

- All Grantees have been selected by VPRC. The VPRC serves as an advisory committee and recommends to the City Commissioner of Public Property what City surplus properties should be made available for disposition in accordance with Chapter 16-400 of the City Code.
- The conveyance of these properties to the Grantees for reuse will relieve the City of the care; maintenance and management of the properties and help arrest blight in the neighborhoods and restore the properties to productive use.
- Properties and Grantees listed below were approved by the VPRC for disposition and a Resolution authorizing the disposition by the PRA was approved by City Council.

PROPERTY INFORMATION:

- 1) **Nominal Disposition:** The following one (13) properties will be conveyed at nominal under the Gift Property Program.

<u>Address</u>	<u>Grantee</u>
3341 N. Uber Street	Vanice N. Gopaul
5432 Norfolk Street	Shirley Harvey
3934 Dell Street	Bridget Anderson
1414 Vodges Street	Clyde Deloatch
2628 N. Douglas Street	Clinton Holland
2143 N. 15 th Street	Community Ventures c/o Steve Kaufman
2151 N. 15 th Street	Community Ventures c/o Steve Kaufman
2159 N. 15 th Street	Community Ventures c/o Steve Kaufman
2116 N. 16 th Street	Community Ventures c/o Steve Kaufman
2124 N. 16 th Street	Community Ventures c/o Steve Kaufman
1601 Diamond Street	Community Ventures c/o Steve Kaufman

- 2) **Fair Market Disposition:** The following one (6) properties will be conveyed at fair market value as established by appraisals obtained by the Office of Housing and Community Development of the City of Philadelphia or by the LAMA pricing model:

<u>Address</u>	<u>Grantee</u>	<u>Appraisal/LAMA Value</u>
2815 Boudinot Street	Iglesia de Deios Pentecostal M.I. Roca De Vida c/o Ramon Cruz	\$9,591.00
2817 Boudinot Street	Iglesia de Deios Pentecostal M.I. Roca De Vida c/o Ramon Cruz	\$9,619.00
1200 S. Bucknell Street	Hayman Constructions, LLC c/o Felton Haymen	\$36,000.00
2040 Titan Street	Hayman Constructions, LLC c/o Felton Haymen	\$31,000.00
2046 Titan Street	Hayman Constructions, LLC c/o Felton Haymen	\$34,000.00

- 3) Thirty (30) year Mortgage Disposition:** The following two (2) properties will be conveyed at fair market value as determined by LAMA, without a self-amortizing mortgage for the purchase price.

<u>Address</u>	<u>Grantee</u>	<u>Price</u>
3867 Folsom Street	Evelyn Pankey	\$29,000.00
3017 N. 5 th Street	Elizabeth Cabrero	\$23,000.00

- 4) Non Self-Amortizing Mortgage Disposition:** The following one (1) property will be conveyed at fair market value as determined by OPA value with a non-self-amortizing mortgage for the purchase price.

<u>Address</u>	<u>Grantee</u>	<u>Price</u>
2271 N. Phillip Street	Philadelphia HUNE Inc. c/o Luz Hernandez	\$7,400.00