

**PHILADELPHIA REDEVELOPMENT AUTHORITY**

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

**BOARD MEETING  
WEDNESDAY, MAY 09, 2018**

**Open Session – 4:00 P.M.**

**A G E N D A**

**APPROVAL OF BOARD MINUTES**

- (a) Meeting of April 11, 2018

**I. EXECUTIVE DIRECTOR’S REPORT**

**II. ADMINISTRATIVE**

**Page**

- |     |   |      |
|-----|---|------|
| (a) | Model Cities Urban Renewal Area<br>Beech Interplex, Inc. & 1600 Broad Associates, L.P.<br>1600 N. Broad Street<br><b>Termination of Ground Lease &amp;<br/>Conveyance</b>   | (1)  |
| (b) | <b>Memorandum of Understanding with the City of<br/>Philadelphia and the Local Unions (or the Philadelphia<br/>Building and Construction Trades Council on Behalf of its<br/>Affiliates and International Unions and/or Their Local<br/>Unions) Regarding the Rebuild Program</b> | (5)  |
| (c) | <b>Approval of Amendment to Previously Approved Project<br/>Financing for the Divine Lorraine, Headhouse Flats and<br/>Studebaker Building</b>  | (9)  |
| (d) | Compressed Natural Gas Facility Project<br>3033 S. 63rd Street<br><b>Approval of Design-Build/Construction Agreement</b>  | (14) |

## **AGENDA**

Board Meeting of May 09, 2018

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### **III. DEVELOPMENT**

- (a) New-Kensington & Fishtown Urban Renewal Area (16)  
Mefail Kupa  
128 Melvale Street  
**Selection of Redeveloper**
- (b) Haddington Urban Renewal Area Unit Nos. 2 & 3 (20)  
Haverford Apartments LP  
5508, 5510, 5512 and 5514 Haverford Avenue  
**Selection of Redeveloper**
- (c) Model Cities Urban Renewal Area (25)  
1511-1515 Brown Street LLC  
1513 Brown Street  
**Amendatory Agreement**

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

- (a) Villas Del Caribe (29)  
Villas Del Caribe Limited Partnership  
161-171 W. Allegheny Avenue and  
3241-65 N. Hancock Street  
**Consent to Modification of an Authority Loan**
- (b) Villas Del Caribe (31)  
Villas Del Caribe Limited Partnership  
161-171 W. Allegheny Avenue and  
3241-65 N. Hancock Street  
**Non-Recourse Construction/Permanent  
Loan Agreement**

### **V. REAL ESTATE**

- Vacant Property Review Committee (51)  
**Conveyance of Properties**

**PHILADELPHIA REDEVELOPMENT AUTHORITY**

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**BOARD MEETING  
WEDNESDAY, MAY 09, 2018**

**Open Session – 4:00 P.M.**

**ADD ON A G E N D A**

**VI. ADD ON ITEM**

**Page**

Model Cities Urban Renewal Area  
Mosaic Development Partners, LLC  
3101 Cecil B. Moore Avenue  
**Selection of Redeveloper**

(1)

# PHILADELPHIA REDEVELOPMENT AUTHORITY

## BOARD MEETING MINUTES

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A meeting of the Board of Directors of the Philadelphia Redevelopment Authority was held on Wednesday, April 11, 2018, commencing at 4:04 P.M., in the offices of the Philadelphia Redevelopment Authority, being its regular meeting place, 16th floor, 1234 Market Street, Philadelphia, Pennsylvania, pursuant to proper notices.

### ROLL CALL

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

The following member of the Board of Directors reported not present: James Cuorato, Vice Chairman.

The following members of the Authority staff were present: Gregory Heller, Ryan D. Harmon, Esquire, Tracy Pinson-Reviere, Mary Fogg, Larry Padilla, Angela Chandler, Karanja Slaughter and Elizabeth Bonaccorso.

Also in attendance: Jacqueline Dunn, City Finance Department; Jamila Davis, DHCD; Joe Logan, Hud Funds; Gary Perkiss, Citizen; Erwin Carner, Citizen; Claudia Vargas, Inquirer; Keith Rerer, Brickhouse Builders; Emaleigh Doley, Germantown United CDC; J. F. McCarthy, BHN RCO; Allison Weiss, Solo/GCA RCO; Yvonne Haskins, Germantown United; Connie Winters, Historic Germantown Properties; Jonathan Devin, Crosskey Association; and Brian Higgins, City Council.

### ANNOUNCEMENTS

None.



### MINUTES

Ms. Fadullon called for a motion to approve the minutes of the Board meeting of March 14, 2018.

Upon motion made and duly seconded, the minutes of March 14, 2018 were approved.



## **EXECUTIVE DIRECTOR'S REPORT**

Mr. Heller informed the Board members that the Authority currently has two (2) open RFP's. The first RFP is for the redevelopment of twenty-two (22) publicly owned parcels on the 600, 700 and 800 blocks of N. 40th Street. This area is within the Promise Zone and the Authority is excited about the opportunity to revitalize this area through this redevelopment opportunity. This RFP will close on June 11, 2018.

Mr. Heller stated that the second RFP is for the Program Intermediaries to partner on the Housing Preservation Loan Program, which will provide low-cost and accessible financing to Philadelphia homeowners to make essential repairs on their properties. This RFP will close on May 25, 2018.



## **ADMINISTRATIVE**

**Mr. Harmon presented "Item II (a) – Approval of Amendment to Loan to PIDC – Local Development Corporation" in substance consistent with the attached Fact Sheet hereto.**

### *Additional Comments and Discussion*

Mr. Dubow asked if this is strictly a timing issue with respect to the loan term. Mr. Harmon 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. 2018-28**

#### **RESOLUTION AUTHORIZING THE AUTHORITY TO AMEND THE TERM OF A LOAN TO PIDC – LOCAL DEVELOPMENT CORPORATION**

**WHEREAS**, pursuant to Resolution No. 2018-02, adopted January 10, 2018, the Philadelphia Redevelopment Authority ("Authority") approved a loan in an amount not to exceed Two Million Dollars (\$2,000,000) (the "Authority Loan") to PIDC – Local Development Corporation ("Borrower") to be included in a limited-time new markets tax credit ("NMTC") loan fund ("NMTC Loan Fund") created by Borrower for the purpose of stimulating growth and promoting commercial revitalization projects in the City of Philadelphia;

**WHEREAS**, the material terms of the Authority Loan as previously approved by the Authority Board are as follows:

- Loan Term and Repayment: 90 months – interest only with principal due at maturity.
- Interest Rate: 3.45%
- Collateral: None (Unsecured)
- Guarantee: 100% repayment guarantee from PIDC
- Origination Fee: 1.5% of Authority Loan amount, not to exceed Thirty Thousand Dollars (\$30,000)
- Success Fee: 4.13% of Authority Loan amount subject to:
  - 1) All principal and interest has been repaid to leveraged lenders (PIDC-LDC and PRA); and
  - 2) If there are any remaining funds from QALICB repayments, then PRA receives 4.13% of remaining funds, up to \$82,600

**WHEREAS**, Borrower has requested that the Authority extend the term of the Authority Loan from ninety (90) months to ninety-six (96) months.

**NOW THEREFORE, BE IT RESOLVED** by the Philadelphia Redevelopment Authority that authorization is hereby given to amend the term of the Authority Loan from ninety (90) months to ninety-six (96) months. All other terms of the Authority Loan, as previously approved pursuant to Resolution No. 2018-02, adopted January 10, 2018, shall remain unchanged;

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



**Mr. Harmon presented "Item II (b) – Selection of Legal Counsel for Civil Litigation Matters" in substance consistent with the 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. 2018-29**

**RESOLUTION AUTHORIZING LEGAL SERVICES CONTRACTS WITH CERTAIN ATTORNEYS FOR REPRESENTATION OF THE AUTHORITY IN GENERAL CIVIL LITIGATION MATTERS**

**WHEREAS**, the Authority issued a competitive Request For Proposals ("RFP") from qualified attorneys for representation of the Authority in general civil litigation matters including, but not limited to, the litigation of claims for possession of real estate, ejectments, foreclosures, contract actions, enforcement actions, writ actions including evictions and executions, and other matters as may be required, initiated by, or brought against, the Authority;

**WHEREAS**, Authority staff has reviewed and evaluated all responses to the RFP and has determined that the law firms of Dilworth Paxson LLP, Mattioni, LTD., and Lauletta Birnbaum, LLC, meet all selection criteria stated in the RFP; and

**WHEREAS**, Authority staff has recommended that legal services contracts be awarded to these applicants.

**NOW THEREFORE BE IT RESOLVED** By the Redevelopment Authority of the City of Philadelphia that:

1. The law firms of Dilworth Paxson LLP, Mattioni, LTD., and Lauletta Birnbaum, LLC, are qualified to provide legal representation to the Authority in general civil litigation matters.
2. The compensation proposed is fair and proper under all the circumstances and at a rate not in excess of rates customarily paid for services of equivalent scope and quality.
3. The Executive Director is authorized to enter into a legal services contract on behalf of the Authority with the law firms of Dilworth Paxson LLP, Mattioni, LTD., and Lauletta Birnbaum, LLC, each contract with maximum compensation not to exceed Fifty Thousand Dollars (\$50,000), at an hourly rate of Two Hundred Twenty-Five Dollars (\$225.00) per hour.
4. Each contract shall contain such other terms and conditions consistent herewith and acceptable to the Executive Director and General Counsel.

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



**Ms. Chandler presented "Item II (c) – Approval of the Authority's Operating Budget for FY 2018 and Granting the Executive Director Authorization to Enter into Certain Contracts Consistent with Approved Budgets" in substance consistent with the attached Fact Sheet hereto.**

*Additional Comments and Discussion*

Mr. Dubow asked if the budget has been consistent throughout the year. Ms. Chandler confirmed that it was relatively consistent with the original budget submitted.

**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. 2018-30**

**RESOLUTION APPROVING THE AUTHORITY'S OPERATING BUDGET FOR FY 2018 AND GRANTING THE EXECUTIVE DIRECTOR AUTHORIZATION TO ENTER INTO CERTAIN CONTRACTS CONSISTENT WITH APPROVED BUDGETS**

**WHEREAS**, the Executive Director has presented to this Board the attached proposed budget for FY 2018 ("Operating Budget") which has been submitted to the Division of Housing and Community Development as part of the Authority's Services Contract for FY 2018;

**WHEREAS**, the Board has reviewed and considered the Operating Budget;

**WHEREAS**, the Operating Budget identifies various categories of the Authority's operating expenses and states the total amount of all such expense categories; and

**WHEREAS**, the Board desires to provide the Executive Director the ability to enter into contracts for supplies, materials and services consistent with the Operating Budget.

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

1. The Operating Budget for FY 2018, as presented to this Board and as attached hereto has been submitted to the Division of Housing and Community Development as part of the Authority's Administrative Services Contract for FY 2018, is approved.



2. The Executive Director may on behalf of the Authority enter into contracts for supplies, materials and services for those categories of expense items identified in the FY 2018 Operating Budget, provided, however, that the total expenditures for all such contracts do not exceed the "Total Expense" amount stated in the approved Operating Budget.

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



## **DEVELOPMENT**

**Ms. Pinson-Reviere presented "Item III (a) – Third Amendatory Agreement with Westview Development Partners, LLC" in substance consistent with the attached Fact Sheet hereto.**

### *Additional Comments and Discussion*

Ms. Fadullon asked if the building permit plans have been approved. Ms. Pinson-Reviere responded yes.

Mr. Heller asked whether there was an administrative fee of \$500.00. Ms. Pinson-Reviere responded 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. 2018-31**

**RESOLUTION AUTHORIZING THE THIRD AMENDMENT TO THE REDEVELOPMENT AGREEMENT WITH WESTVIEW DEVELOPMENT PARTNERS, LLC, RE: 3509 HAVERFORD AVENUE LOCATED IN THE WEST PHILADELPHIA REDEVELOPMENT AREA, MANTUA URBAN RENEWAL AREA**

**WHEREAS**, Pursuant to Resolution No. 2014-70, adopted on July 9, 2014, as modified by Resolution No. 2015-32, adopted on April 8, 2015, and as further amended by Resolution No. 2017-04, adopted on January 11, 2017, and Resolution No. 2017-90, adopted on December 13, 2017, the Board authorized, among other things, the selection of Westview Development Partners, LLC ("Westview") as developer for 3509 Haverford Avenue (the "Property");

**WHEREAS**, Westview and the Authority executed a Redevelopment Agreement dated May 20, 2015 ("Redevelopment Agreement") for the Property;

**WHEREAS**, Westview Development Partners, LLC took title to the property on May 17, 2016;

**WHEREAS**, Westview Development Partners, LLC, executed a First Amendment Redevelopment Agreement dated December 28, 2016 ("First Amendment"), approving revision of plans, and a Second Amendment Redevelopment Agreement dated February 16, 2018 ("Second Amendment"), approving the limited partners and/or investor members;

**NOW THEREFORE, BE IT RESOLVED**, by the Philadelphia Redevelopment Authority, that the Authority is authorized to enter into an Third Amendment to Redevelopment Agreement for 3509 Haverford Avenue, to provide for the following modifications:

1. Approval of revised plans;
2. Extension of the construction start date to May 1, 2018;
3. Extension of the construction completion date to March 1, 2020;
4. Require the payment of an administrative fee in the amount of Five Hundred Dollars (\$500) (as the amount if greater than 1% of the purchase prices as set forth in the Redevelopment Agreement).

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

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



**Mr. Padilla presented "Item III (b) – Conveyance of Properties to the City of Philadelphia" 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. 2018-32  
(Amending Resolution No. 2018-22 adopted March 14, 2018)**

**RESOLUTION APPROVING A MODIFICATION TO RESOLUTION NO. 2018-22**

**BE IT RESOLVED**, by the Philadelphia Redevelopment Authority, that the following modifications to Resolution No. 2018-22, adopted on March 14, 2018, are hereby approved and, to the extent applicable, shall supplement the originally adopted resolution:

1. Modification to remove the property located at 2400 N. 32<sup>nd</sup> Street;
2. Modification to add the property located at 2400-06 N. 31<sup>st</sup> Street.

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

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

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



**REAL ESTATE**

**Mr. Padilla presented "Item IV – Conveyance of Properties" in substance consistent with the Fact Sheet attached 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. 2018-33**

**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>
3438 W. Allegheny Street	Joan & Christopher Corcoran
2750 Amber Street	Carmen Bonilla
19 E. Bringhurst Street	Julia Bennett

**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>
52 N. St. Bernard Street	Kenton Brown	\$11,000.00 (Appraisal)

**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.

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



Mr. Heller informed the Board, staff and public that the add-on agenda was posted on the Authority's website. Plus an email alert was also sent out.

### **ADD ON ITEMS**

**Mr. Harmon presented "Item V (a) – Approval of Project Financing for the Divine Lorraine, HeadHouse Flats and the Studebaker Building" in substance consistent with the Fact Sheet attached hereto.**

#### *Additional Comments and Discussion*

Mr. Heller stated that Susquehanna Structured Capital, LLC will provide funding in the amount of approximately Seventeen Million Dollars (\$17,000,000).

Mr. Heller stated that there are several reasons why today's action by the Board is important. First, the Authority has invested time and funding into the initial redevelopment of the Divine Lorraine and wants to see the Divine Lorraine redevelopment completed. Second, Mr. Heller stated this funding will also be used for the Annex building and Studebaker building. Third, Mr. Heller stated that this loan will require that all ten (10) units in the Divine Lorraine Annex will be restricted for workforce housing for the next ten (10) years. Mr. Heller stated that he believed this is a good transaction for all parties involved.

### **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. 2018-34**

**RESOLUTION AUTHORIZING THE AUTHORITY TO ENTER INTO A PARTICIPATION AGREEMENT WITH SUSQUEHANNA STRUCTURED CAPITAL, LLC AND OTHER LOAN DOCUMENTS PROVIDING FOR A LOAN FROM THE AUTHORITY TO DIVINE INTERVENTION HOTEL, LP, DIVINE ALCHEMY, LP, ABBOTTS RESURRECTION, LP AND 677 NORTH BROAD ASSOCIATES, LLC, IN SUPPORT OF THE RECAPITALIZATION OF THE OF THE DIVINE LORRAINE HOTEL AND OTHER PROPERTIES**

**BE IT RESOLVED**, by the Philadelphia Redevelopment Authority ("**Authority**"), that the Authority is authorized to enter into a Participation Agreement with Susquehanna Structured Capital, LLC ("**Susquehanna**") and other ancillary loan and security documents, documenting, among other things, a loan from the Authority to Divine Intervention Hotel, LP ("**DIH LP**"), Divine Alchemy, LP ("**DA LP**"), Abbotts Resurrection, LP ("**AR LP**") and 677 North Broad Associates, LLC ("**677 LLC**") (DIH LP, DA LP, AR LP and 677 LLC are hereinafter referred to, collectively, as the "**Borrowers**"), in an amount not to exceed Four Million Dollars (\$4,000,000) under terms and conditions as follows:

1. The Authority is providing a loan to Borrowers in an amount not to exceed Four Million Dollars (\$4,000,000) funded from Authority working capital/net assets (the "**Authority Loan**").

2. The proceeds of the Authority Loan will support the recapitalization of the properties known as (i) the Divine Lorraine and the Divine Lorraine Annex, located at 699 N. Broad Street, (ii) Head House Flats, located at 528 South 2nd Street, and (iii) the Studebaker Building, located at 667 N. Broad Street (collectively, the "**Properties**"), and for certain closing and construction costs related to the Properties, including the construction of ten (10) affordable units at the Divine Lorraine Annex. As part of the aforementioned recapitalization, the Authority Loan will be used to refinance the existing Two Million Five Hundred Thousand Dollar (\$2,500,000) construction loan that was provided to DIH LP in 2015.

3. The term of the Authority Loan will be two (2) years, with two (2) additional one (1) year extension options to be provided at the sole discretion of the Authority, with interest fixed as of the date of closing at the Wall Street Journal Prime Rate plus Four Percent (4.00%). Interest, only, will be due and payable during the Authority Loan term from the interest reserve as detailed below.

4. Susquehanna's portion of the loan under the Participation Agreement will not exceed Sixteen Million Six Hundred Thousand Dollars (\$16,600,000). Both the Authority Loan and Susquehanna's loan under the Participation Agreement will be subordinate to a first lien loan from Guggenheim Commercial Real Estate Finance LLC ("**Guggenheim**") in the amount of approximately Forty-One Million Dollars (\$41,000,000).

5. The Participation Agreement will provide that One Million Five Hundred Thousand Dollars (\$1,500,000) of the Authority Loan will be pari-passu with the funds of Susquehanna and the remaining Two Million Five Hundred Thousand Dollars (\$2,500,000) of the Authority Loan will be subordinate.

6. There will be a twenty-four (24) month interest reserve to be held by the Authority, out of which interest payments will be made. In the event the Authority extends the term of the Authority Loan, the interest reserve will be fully funded to cover the extension period.

7. The Authority Loan will be pooled with the Susquehanna loan under the Participation Agreement and collateralized and secured by, among other things (i) 100% of the equity interests in the Borrowers held by Eric Blumenfeld ("**Blumenfeld**") or any of his affiliates or related entities, (ii) pledges of approximately 49% equity and assignment of approximately 100% of cash flows on following additional collateral owned or held by Blumenfeld or his affiliates or related entities:

- (a) Mural West (Land) – 523 N Broad Street;
- (b) Abbots Square Retail & Condos – 530 S 2nd Street, Unit B;
- (c) Mural Lofts Apartments – 523 N Broad Street, Unit A.

8. A restricted covenant will be placed on all ten (10) units of housing that will be included with the construction of the Divine Lorraine Annex. To ensure these units remain affordable, rents for all units shall not exceed 30% of 100% of area median income for Philadelphia County as published by HUD and adjusted for household size. The restricted covenant shall remain in place for a period of ten (10) years and shall survive any change in ownership of the property.

9. There will also an origination of 1.5% of the Authority Loan amount and an exit fee in the amount of 1.5% of the Authority Loan 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, Ms. Duque-Buckley, Mr. Bumb and Mr. Dubow.



**Ms. Pinson-Reviere presented "Item V (b) – Approval to Correct Resolution No. 2018-19, Adopted on March 14, 2018; for the Forty-second Amended Redevelopment Proposal and the Thirty-fourth Amended Urban Renewal Plan for the North Philadelphia Redevelopment Area; Model Cities Urban Renewal Area" 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. 2018-35**  
**(AMENDING RESOLUTION NO. 2018-19, ADOPTED MARCH 14, 2018)**

**RESOLUTION AUTHORIZING THE APPROVAL TO CORRECT RESOLUTION NO. 2018-19, ADOPTED ON MARCH 14, 2018, FOR THE FORTY-SECOND AMENDED REDEVELOPMENT PROPOSAL AND THE THIRTY-FOURTH AMENDED URBAN RENEWAL PLAN FOR THE NORTH PHILADELPHIA REDEVELOPMENT AREA, MODEL CITIES URBAN RENEWAL AREA**

**WHEREAS**, Pursuant Resolution No. 2018-19, adopted on March 14, 2018, the Board previously approved the "Forty-First" Amended Redevelopment Proposal and the "Thirtieth" Amended Urban Renewal Plan for said Project Area; and

**WHEREAS**, the Board is requested to correct and amend Resolution No. 2018-19, adopted on March 14, 2018, to provide that amendments will actually be the "Forty-Second" Amended Redevelopment Proposal and "Thirty-Fourth" Amended Urban Renewal Plan for the North Philadelphia Redevelopment Area, Model Cities Urban Renewal Area;

**WHEREAS**, approval was heretofore given by the Philadelphia City Planning Commission for the Forty-Second Amended Redevelopment Proposal ("Amended Proposal") and the Thirty-Fourth Amended Urban Renewal Plan ("Amended Plan") for said project area, and it was confirmed that Amended Proposal and Amended Plan are consistent with the North Philadelphia Redevelopment Area Plan (2014), and subsequent amendments, and are generally consistent with the most recent Comprehensive Plan approved by the Philadelphia City Planning Commission; and

**WHEREAS**, the Amended Proposal and the Amended Plan are now being presented to the Board for its consideration and approval.

**NOW, THEREFORE, BE IT RESOLVED**, by the Philadelphia Redevelopment Authority, that approval is hereby given to the Forty-Second Amended Redevelopment Proposal and the Thirty-Fourth Amended Urban Renewal Plan for the Model Cities Urban Renewal Area as presented to this meeting; and further authorizing the preparation of any documentation necessary or desirable, including the preparation of an Ordinance if required, 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, Ms. Duque-Buckley, Mr. Bumb 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 acknowledged the members from the Germantown Community as well as the other individuals that want to make a statement regarding the Germantown loan matters.

Ms. Winters invited the Board members to a community meeting which is being held in early May. Ms. Winters stated that Mr. Heller had confirmed he will be attending this meeting. Ms. Winters asked the Board members to attend and hear the voices from the community before deciding what to do with these properties. Ms. Winters distributed a flyer to the Board members.

Mr. McCarthy addressed the Board and stated that he lives near the former headquarters of Germantown Settlement. Mr. McCarthy stated that Germantown Settlement has been abandoned for the last fifteen (15) years. Mr. McCarthy distributed a photo to the Board. Mr. Heller asked what the address is. Mr. McCarthy responded 48 E. Penn Street.

Next, Mr. Keith Rerer from Brickhouse Builders addressed the Board and stated that he does not want to see these forty-four (44) properties turned over to the Philadelphia Housing Authority ("PHA"). Mr. Rerer stated that the properties will each need to be rehabbed differently. Mr. Heller responded by stating that the PRA must first acquire the properties through the foreclosure process before any permanent plan for the properties can be finalized. Mr. Heller further stated that the PRA does not typically operate as a property manager for residential properties.

Ms. Fadullon stated that this is a delicate situation and the PRA cannot allow the tenants to be at risk. Mr. Heller stated that at this time the PRA doesn't fully know what it is dealing with at the properties with and will not know until it has a right of access and possession. Mr. Heller stated there is no finalized game plan at this point for the ultimate use of the properties; however, the Authority's intention is to petition the Court for a receiver and recommend PHA as that receiver who will oversee and manage the properties until the foreclosure proceedings have completed.

Next, Ms. Haskins distributed a packet to Mr. Harmon and distributed an outline to the Board members regarding the subject properties. Ms. Haskins explained that she disputed the rightful ownership of these defaulting entities over the subject properties since they were associated with a bankrupt nonprofit entity. Ms. Haskins stated that she believed the Pennsylvania Office of the Attorney General and the Orphans' Court would need to be involved in any distribution or sale of the subject properties. Ms. Haskins stated that she reached out to the Pennsylvania Office of the Attorney General. Ms. Fadullon asked if Ms. Haskins received a return call. Ms. Haskins replied that she had not as of today.

Ms. Haskins stated that these defaulting entities and the subject properties should be a part of an existing Bankruptcy Court matter. Ms. Haskins pointed out that there were 166 entries in the Bankruptcy Court matter and that she does not believe Mr. Freeman was cooperating. Ms. Haskins requested that the PRA slow down the foreclosure process. Ms. Haskins asked the Board to avoid additional expenses and meet with the Bankruptcy Court trustee.

Ms. Haskins asked the Board to facilitate a meeting with the Bankruptcy Court trustee to discuss a 2010 motion filed in that action. Ms. Fadullon asked if there was a ruling on that motion in the Bankruptcy Court matter. Ms. Haskins could not confirm but requested the Board to explore the information that she provided today and the Bankruptcy Court materials.

Mr. Heller clarified that the PRA had no way of knowing who the current shareholders or partners of the defaulted entities were because that is not public information.

Next, Ms. Weiss addressed the Board and stated that there is major blight in this community. Ms. Weiss further stated all she wants for the community is the blight to be alleviated.

Next, Mr. Perkiss, who stated that he represents Lena Street Associates, Lower Germantown, LP, Lower Germantown II, LP, and Blakestone, LP, addressed the Board. Ms. Perkiss stated on three (3) separate occasions his clients had requested the PRA to waive the interest due on the loans. Mr. Perkiss stated at this time all of the loan principal would be paid off at one time. The PRA would receive payment of all outstanding principal and all real estate tax liens, water liens, etc., would also be paid off. Mr. Perkiss stated that the title work has been completed.

Mr. Perkiss stated that back in March, 2018, the Board had some concerns with renovation costs, management of properties and community concerns. The Board tabled this item. Mr. Perkiss stated that he spoke with Mr. Heller and Mr. Harmon regarding this matter.

Mr. Perkiss stated that the entity would bring Mr. Roy Diamond on board to move forward with this renovation project. Mr. Perkiss stated that, at this time, 90% of the tenants are not paying their rents.

Mr. Perkiss stated this is a commendable offer worth \$6.1 million dollars and would make the City of Philadelphia and the PRA whole. Mr. Perkiss pointed out that doing a scattered site project is challenging; however, a lender has been found to refinance the existing debt principal. Mr. Perkiss stated that Mr. Emmanuel Freeman is no longer involved in this project. Mr. Perkiss further stated that Dr. Edwin Carner would be overseeing this project and Mr. Diamond would manage the properties.

At this time, Mr. Perkiss introduced Mr. Joe Logan to speak about the financing plan. Mr. Logan stated that his institution is prepared to fund this loan. Mr. Logan stated that the bank does not want to own these properties and that the titles on the properties were a mess and it took over two (2) months to clear them. Mr. Logan stated that this is a good proposal for all parties. Finally, Mr. Logan stated that they are just waiting for the execution of the loan documents.

Dr. Carner stated that he is aware of the community's concerns. Dr. Carner stated that he has lived in Germantown since the 1960's and has been through this as well. Dr. Carner stated that he would be the managing partner and the property manger would report directly to him. Dr. Carner further stated that Mr. Freeman and his wife would not be involved with this project.

Ms. Fadullon stated that the Board is aware and understands the community's concern. Ms. Fadullon stated that Mr. Heller has committed to attend the community meeting. Ms. Fadullon further stated that there are a lot of issues and it is complicated matter. Ms. Fadullon thanked everyone for attending and expressing their concerns.



### **ADJOURNMENT**

There being no further business to come before the Board, Ms. Fadullon declared the meeting adjourned at 4:58 P.M.

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SECRETARY TO THE BOARD



## BOARD FACTSHEET

Meeting of April 11, 2018

Approval of Amendment to Loan to PIDC – Local Development Corporation

New Market Tax Credits Funded Loan Pool for Community Growth and Commercial Revitalization Projects

**NAME OF BORROWER/APPLICANT:** PIDC – Local Development Corporation ("Borrower")

**NATURE OF TRANSACTION:** Pursuant to Resolution No. 2018-02, adopted January 10, 2018, the Board is requested to authorized a loan in an amount not to exceed Two Million Dollars (\$2,000,000) (the "Authority Loan") to Borrower to be included in a limited-time new markets tax credit ("NMTC") loan fund ("NMTC Loan Fund") created by Borrower for the purpose of stimulating growth and promoting commercial revitalization projects in the City of Philadelphia.

This limited-time NMTC Loan Fund is designed to stimulate community growth and promote commercial revitalization projects in Philadelphia. The NMTC Loan Fund will provide a NMTC instrument for transactions smaller than typical leveraged NMTC real estate deals and provide capital directly to operating businesses, nonprofits, or developers.

PRA's investment would be used to support a leverage loan into the NMTC Loan Fund, as described above.

The material terms of the Authority Loan as previously approved by the Board are as follows:

- Loan Amount: Up to \$2 million
- Loan Term and Repayment: 90 months – interest only with principal due at maturity.
- Interest Rate: 3.45%
- Collateral: None (Unsecured)
- Guarantee: 100% repayment guarantee from PIDC
- Origination Fee: 1.5% of Authority Loan amount, not to exceed Thirty Thousand Dollars (\$30,000)
- Success Fee: 4.13% of Authority Loan amount subject to:
  - 1) All principal and interest has been repaid to leveraged lenders (PIDC-LDC and PRA); and
  - 2) If there are any remaining funds from QALICB repayments, then PRA receives 4.13% of remaining funds, up to \$82,600

**REQUEST:** The Board is requested to modify the term of the Authority Loan from ninety (90) months to ninety-six (96) months. All other terms of the Authority Loan, as previously approved pursuant to Resolution No. 2018-02, adopted January 10, 2018, shall remain unchanged.

Proposed Resolution is attached.

Prepared by: Ryan Harmon  
Reviewed by: Gregory Heller

# Memorandum



**Date:** April 5, 2018

**Board Meeting Of:**

**To:** Members of the Board

**April 11, 2018**

**From:** Ryan Harmon, Esq.

**RE:** Selection of Legal Counsel for Civil Litigation Matters

The Board is requested to authorize contracts with several attorneys to represent the Authority in litigation initiated by, or brought against, the Philadelphia Redevelopment Authority ("Authority").

The Authority issued a Request for Proposals ("RFP") from qualified attorneys to provide legal representation in general civil litigation matters including, but not limited to, the litigation of claims for possession of real estate, ejectments, foreclosures, contract actions, enforcement actions, writ actions including evictions and executions, and other matters as may be required. The RFP was posted on the Authority website.

The Authority received four (4) responses to the RFP and staff has evaluated responses based on the selection criteria outlined in the RFP. Staff has recommended the selection of the law firms of Dilworth Paxson LLP, Mattioni, LTD., and Lauletta Birnbaum, LLC.

With Board approval, the Authority will enter into contracts with each of these applicants at the established hourly rate of Two Hundred Twenty-Five Dollars (\$225.00) per hour, with a maximum compensation of Fifty Thousand Dollars (\$50,000).

The proposed resolution is attached.

**BOARD FACTSHEET**

Meeting of April 11, 2018  
 Third Amendatory Agreement  
 3509 Haverford Avenue

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**NAME OF DEVELOPER/APPLICANT:** Westview Development Partners, LLC

**Nature of Transaction:** By Resolution No. 2014-70, adopted on July 9, 2014, as modified by Resolution No. 2015-32, adopted on April 8, 2015, and as further amended by Resolution No. 2017-04, adopted on January 11, 2017, and Resolution No. 2017-90, adopted on December 13, 2017, the Board authorized, among other things, the selection of Westview Development Partners, LLC ("Westview"), as developer for 3509 Haverford Avenue (the "Property") to construct a three (3) story building with commercial space and a two-bedroom rental unit on the remainder of the first floor and two – two bedroom rental units on both the second and third floors.

Westview and the Authority executed a Redevelopment Agreement dated May 20, 2015 ("Original Redevelopment Agreement") for the Property. Westview took title to the Property on May 17, 2016. Westview executed a First Amendment Redevelopment Agreement dated December 28, 2016 ("First Amendment"), approving revision of plans, and a Second Amendment Redevelopment Agreement dated February 16, 2018 ("Second Amendment"), approving the limited partners and/or investor members. The Original Redevelopment Agreement, the First Amendment and the Second Amendment are referred to herein, collectively, as the "Redevelopment Agreement."

Westview had previously submitted for approval preliminary plans that did not include an accurate bi-level cellar description of first floor commercial and first floor residential units. Both commercial and residential components are designed as bi-level units which increase the first floor apartment from a two-bedroom to a three-bedroom unit and increase the square footage at the commercial space.

PRA has reviewed and approved the final permitted plans for compliance.

Due to the changes in plans Westview will also require an extension of the construction start date from March 1, 2018, to May 1, 2018, and construction completion date from January 1, 2020, to March 1, 2020.

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

1. Approve revised plans;
2. Extend the construction start date to May 1, 2018;
3. Extend the construction completion date to March 1, 2020;
4. Require the payment of an administrative fee in the amount of Five Hundred Dollars (\$500) (as that amount if greater than 1% of the purchase price as set forth in the Redevelopment Agreement).

**Legal Entity & Principle Partners (if applicable):** Westview Development Partners, LLC

- Rick Young – Managing Member
- Gary Jonas, Jr. - Member
- Andrew Blum – Member
- Gary Risler – Member
- William J. McLaughlin – Member
- Kristopher Wood – Member
  
- Westview Development Partners, GP, LLC – 0.01%
- HOW Westview Development Partners, LLC – 18.91%
- HOW Mantua, LLC – 30.08%
- Rick Young – 51.00%

**Mailing Address:** 1145 Forrest Street, Suite 300, Conshohocken, PA 19428

**PROPERTY INFORMATION:** 3509 Haverford Avenue

**Description:** 4,795 sq. ft., vacant lot      **Zoning:** CMX-2      **Use:** Mixed Use

**Disposition Value:** \$34,557.00

**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 at 15% MBE and 7% WBE.

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

Prepared by: Tracy Pinson-Reviere, Project Manager II

Reviewed by: Larry H. Padilla



**BOARD FACTSHEET**

Meeting of April 11, 2018

Modification to Resolution No. 2018-22

Conveyance of Properties

City of Philadelphia

**NAME OF DEVELOPER/APPLICANT:** City of Philadelphia

**Nature of Transaction:** The Board is requested to modify Resolution No. 2018-22, approved on March 14, 2018, authorizing the conveyance of 2458-62 N. 31<sup>st</sup> Street, 2548-56 N. 31<sup>st</sup> Street and 2400 N. 32<sup>nd</sup> Street to the City of Philadelphia Department of Public Property ("DPP") for nominal consideration. Authorization is requested today to approve a corrected list of properties to remove 2400 N. 32<sup>nd</sup> Street and add 2400-06 N. 31<sup>st</sup> Street to this conveyance. These properties are correctly listed below and currently being used as public playgrounds and recreational facilities servicing the Strawberry Mansion neighborhood. Following conveyance, the parcels will continue to be utilized as public playgrounds and recreational facilities, but shall be operated and managed by the City of Philadelphia Parks and Recreation Department ("Parks & Recreation").

**PROPERTY INFORMATION:** 2400-06 N. 31<sup>st</sup> Street, 2458-62 N. 31<sup>st</sup> Street, and 2548-56 N. 31<sup>st</sup> Street

**Description:** DPP will be taking formal ownership of the aforementioned facilities. The City intends to maintain the existing playgrounds and facilities and perform minor capital improvements where necessary. These improvements support Parks and Recreation's commitment to improve how its assets (recreation centers, fields, parks and playgrounds) meet the needs of every community in Philadelphia by undertaking a broad range of restoration activities throughout the City's park system.

**Disposition Price:** Three Dollars (\$3.00)

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

Prepared by: Jessie Lawrence, Project Manager

Reviewed by: Larry H. Padilla



## BOARD FACTSHEET

Meeting of April 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 (1) property will be conveyed at nominal under the Gift Property Program.

**Address**

3438 W. Allegheny Street  
2750 Amber Street  
19 E. Brighthurst Street

**Grantee**

Joan & Christopher Corcoran  
Carmen Bonilla  
Julia Bennett

- 2) **Fair Market Disposition:** The following one (1) 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:

**Address**

52 N. St Bernard St

**Grantee**

Kenton Brown

**Appraisal/LAMA Value**

\$11,000.00 (Appraisal)



## BOARD FACTSHEET

Meeting of April 11, 2018

Approval of Project Financing for the Divine Lorraine,  
Headhouse Flats and the Studebaker Building

### NAME OF DEVELOPERS/APPLICANTS:

1. Divine Intervention Hotel, LP ("**DIH LP**") (General Partner: Divine Intervention Hotel I, LLC)
2. Divine Alchemy, LP ("**DA LP**") (General Partner: Divine Alchemy GP, LLC)
3. Abbotts Resurrection, LP ("**AR LP**") (General Partner: Abbotts Resurrection GP, LLC)
4. 677 North Broad Associates, LLC ("**677 LLC**")

DIH LP, DA LP, AR LP and 677 LLC are hereinafter referred to, collectively, as the "**Borrowers.**"

### TRANSACTION:

**Nature of Transaction:** The Board is requested to authorize the Authority to provide a loan to Borrowers for the purpose of recapitalizing the properties known as (i) the Divine Lorraine and the Divine Lorraine Annex, located at 699 N. Broad Street, (ii) Head House Flats, located at 528 South 2nd Street, and (iii) the Studebaker Building, located at 667 N. Broad Street (collectively, the "**Properties**"), and to enter into all agreements and documents incident thereto. The financing is structured as follows:

- 1) Participation Agreement with Susquehanna Structured Capital, LLC ("**Susquehanna**") and Promissory Note (through Susquehanna) with Borrowers and other ancillary loan and security documents, providing for a loan to Borrowers from the Authority in an aggregate amount not to exceed Four Million Dollars (\$4,000,000) (the "**Authority Loan**"), funded from PRA working capital/net assets. The term of the Authority Loan will be two (2) years, with two (2) additional one (1) year extension options to be provided at the sole discretion of the Authority, with interest fixed as of the date of closing at the Wall Street Journal Prime Rate plus Four Percent (4.00%). Interest, only, will be due and payable during the Authority Loan term from the interest reserve as detailed below. The proceeds of the Authority Loan will support the recapitalization of the Properties and for certain construction and closing costs at the Properties, including the construction of ten (10) affordable units at the Divine Lorraine Annex. As part of the aforementioned recapitalization, the Authority Loan will be used to

refinance the existing Two Million Five Hundred Thousand Dollar (\$2,500,000) development loan that was provided to DIH LP in 2015.

- 2) Susquehanna's portion of the loan under the Participation Agreement will not exceed Sixteen Million Six Hundred Thousand Dollars (\$16,600,000). Both the Authority Loan and Susquehanna's loan under the Participation Agreement will be subordinate to a first lien loan from Guggenheim Commercial Real Estate Finance LLC ("**Guggenheim**") in the amount of approximately Forty-One Million Dollars (\$41,000,000).
- 3) The Participation Agreement will provide that One Million Five Hundred Thousand Dollars (\$1,500,000) of the Authority Loan will be pari-passu with the funds of Susquehanna and the remaining Two Million Five Hundred Thousand Dollars (\$2,500,000) of the Authority Loan will be subordinate.
- 4) There will be a twenty-four (24) month interest reserve to be held by the Authority, out of which interest payments will be made. In the event the Authority extends the term of the Authority Loan, the interest reserve will be fully funded to cover the extension period.
- 5) The Authority Loan will be pooled with the Susquehanna loan under the Participation Agreement and collateralized and secured by, among other things (i) 100% of the equity interests in the Borrowers held by Eric Blumenfeld ("**Blumenfeld**") or any of his affiliates or related entities, (ii) pledges of approximately 49% equity and assignment of approximately 100% of cash flows on following additional collateral owned or held by Blumenfeld or his affiliates or related entities:
  - (a) Mural West (Land) – 523 N Broad Street, Philadelphia, PA 19123;
  - (b) Abbotts Square Retail & Condos – 530 S 2nd Street, Unit B, Philadelphia, PA 19147;
  - (c) Mural Lofts Apartments – 523 N Broad Street, Unit A, Philadelphia, PA 19123.
- 6) A restricted covenant will be placed on all ten (10) units of housing that will be included with the construction of the Divine Lorraine Annex. To ensure these units remain affordable, rents for all units shall not exceed 30% of 100% of area median income for Philadelphia County as published by HUD and adjusted for household size. The restricted covenant shall remain in place for a period of ten (10) years and shall survive any change in ownership of the property.
- 7) There will also an origination of 1.5% of the Authority Loan amount and an exit fee in the amount of 1.5% of the Authority Loan amount.

**Mailing Address:** 530 S. 2<sup>nd</sup> Street, Suite 110, Philadelphia, PA 19147

#### **PROPERTY INFORMATION:**

**Description:** The Divine Lorraine is one of the most significant and visible developments on North Broad Street. Built in 1894 as a 10-story apartment building with an attached 6-story utility annex, it was converted to a hotel in 1900 and subsequently sold to the Divine Peace Mission in 1948. It operated as a hotel and mission center until 1999 and has been vacant since. The property is listed in the National Register of Historic Places and the City of Philadelphia

Historic Commission. The property has been sold four times since 2000, most recently to Divine Intervention Hotel, LP, an entity controlled by Eric Blumenfeld.

The Divine Intervention Hotel, LP, was created for the sole purpose of the building's redevelopment. The developer, Eric Blumenfeld is an established residential developer in Philadelphia whose portfolio includes Lofts at 640, Marine Club, Abbots Square on South Street and most recently the redevelopment of the Thaddeus Stevens School at Broad and Spring Garden Streets. The Divine Lorraine building will be managed by EB Realty Management Company upon lease up and operation.

The development sits on a site that is approximately 0.34 acres and 14,780 square feet and is surrounded by vacant land to the east, public streets to the north, south and west. The gross building area is approximately 125,000 square feet and the current zoning is CMX-4, Center City Commercial Mixed-Use.

An outline of the sources and uses for all funding related to the Authority Loan and the other financing provided from Susquehanna and Guggenheim is attached hereto.

Proposed Resolution is attached.

Prepared by: Ryan Harmon  
Reviewed by: Gregory Heller



## BOARD FACTSHEET

Meeting of April 11, 2018

Amendment to Resolution 2018-19, Adopted March 14, 2018

Model Cities Urban Renewal Area

Forty-Second Amended Redevelopment Proposal

Thirty-Fourth Amended Urban Renewal Plan

**Nature of Transaction:** By Resolution No. 2018-19, adopted on March 14, 2018, the Board authorized the approval of the "Forty-First" Amended Redevelopment Proposal and "Thirtieth" Amended Urban Renewal Plan for the North Philadelphia Redevelopment Area, Model Cities Urban Renewal Area.

Today, the Board is requested to correct and amend Resolution No. 2018-19, adopted on March 14, 2018, to provide that amendments will actually be the "Forty-Second" Amended Redevelopment Proposal and "Thirty-Fourth" Amended Urban Renewal Plan for the North Philadelphia Redevelopment Area, Model Cities Urban Renewal Area. The substantive changes to the proposal and plan have not changed, only the references to the numbered amendments.

### DESCRIPTION:

The Philadelphia City Planning Commission has determined that the Amended Proposal and Amended Plan are consistent with the North Philadelphia Redevelopment Area Plan (2014), and subsequent amendments. The Philadelphia City Planning Commission has also determined that the Amended Proposal and Amended Plan are generally consistent with the most recent Comprehensive Plan approved by the Philadelphia City Planning Commission.

The current comprehensive plan identifies forward thinking goals and strategies for achieving new and appropriate development within the city and will direct the redevelopment of the Model Cities Urban Renewal area by zoning code controls and guidelines as detailed by the Philadelphia City Planning Commission.

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

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