# City of Philadelphia Economic Opportunity Plan

Seamless Professionals Construction & Development

Mantua's Turn The Key Program

[3801 Reno Street, 3803 Reno Street, 3811 Reno Street, 3814 Reno Street, 3816 Reno

Street.

3850 Reno Street, 3852 Reno Street, 3960 Reno Street, 3962 Reno Street and 3964 Reno Street]

I.Introduction, Definitions, Goals and Diversity Practices

The City of Philadelphia, acting through its offices of the Division of Housing and Community Development ("DHCD") and Office of Economic Opportunity ("OEO") (collectively, "City") and the Philadelphia Land Bank ("PLB") strongly encourage the use of certified Minority ("MBE"), Women ("WBE"), Disabled ("DSBE") and Disadvantaged ("DBEs") Business Enterprises (collectively, "M/W/DSBEs") and minority and female workers in all aspects of the development and use of a parcel(s) of land located at 3801 Reno Street, 3803

Reno Street, 3811 Reno Street, 3814 Reno Street, 3816 Reno Street, 3850 Reno Street, 3852 Reno Street, 3960 Reno Street, 3962 Reno Street and 3964 Reno Street, which may include financial investment, design, construction and operations (Project). In support of this objective, City and PLB will require that the Seamless Professionals Construction And Development ("Purchaser") of this parcel commit to this Economic Opportunity Plan ("EOP" or "Plan") as required by Section 17-1602 of The Philadelphia Code, as amended.

This Plan contains ranges of projected M/W/DSBE utilization and goals for the employment of minority and female workers in connection with the Project. Purchaser shall cause this Plan to be made part of and incorporated into all bids, proposals and solicitations and any resulting agreement(s) entered into between Purchaser and any participant in connection with the development and use of the parcel. By submission of this Plan, Purchaser makes a legally binding commitment to the City and PLB to abide by the provisions of this Plan which include its commitment to exercise its Best and Good Faith Efforts throughout the project and its commitment to cause its participants to use their Best and Good Faith Efforts to provide subcontracting opportunities for M/W/DSBEs in all phases of the project and to employ a diverse workforce. This Plan expressly applies to all contracts awarded in connection with the Project.

Neither Purchaser nor any participant shall discriminate on the basis of race, color, religion, sex, national origin, sexual orientation, gender identity, ancestry, age, or handicap in the award and performance of contracts pertaining to this Plan. Purchaser has summarized its current and past practices relating to Purchaser's diversity practices ("Diversity Practices Statement"). This statement, included as Attachment "A" to this Plan, identifies and describes Purchaser's processes used to develop diversity at all levels of Purchaser's organization including, but not

<sup>&</sup>lt;sup>1</sup> Disadvantaged Business Enterprises ("DBEs") are those socially or economically disadvantaged minority and woman owned businesses certified under 49 C.F.R. Part 26.

limited to, board and managerial positions. This Diversity Practices Statement summarizes Purchaser's strategic business plans specific to its current or past practices of M/W/DSBE utilization on its government and non-government projects and procurement activities. Purchaser

further agrees to identify any "Equity Ownership" held in connection with this Project which shall mean the percentage of beneficial ownership in the Purchaser's organization or development team that is held by minority persons, women and disabled persons. In the event Equity Ownership is identified, Purchaser agrees to abide by the reporting requirements enumerated in Section 17-1603 (1)(g)(3).

Purchaser hereby verifies that all information submitted to the City in response to this Plan, is true and correct and is notified that the submission of false information is subject to the penalties of 18 Pa.C.S. Section 4904 (relating to unsworn falsification to authorities) and 18 Pa.C.S. Section 4107.2 (a)(4) (relating to fraud in connection with minority business enterprises or women's business enterprises).

For the purposes of this Plan, MBE, WBE, DBE and DSBE shall refer to certified businesses so recognized by OEO. Only the work or supply effort of firms that are certified as M/W/DSBEs by an OEO approved certifying agency<sup>2</sup> will be eligible to receive credit as a Best and Good Faith Effort. In order to be counted, certified firms must successfully complete and submit to the OEO an application to be included in the OEO Registry which is a list of registered M/W/DSBEs maintained by the OEO and available online at www.phila.gov/oeo/directory.

For this Plan, the term "Best and Good Faith Efforts," the sufficiency of which shall be in the sole determination of the City, means: efforts, the scope, intensity and appropriateness of which are designed and performed to foster meaningful and representative opportunities for participation by M/W/DSBEs and an appropriately diverse workforce and to achieve the objectives herein stated. Best and Good Faith Efforts are rebuttably presumed met, when commitments are made within the M/W/DSBE Participation Ranges established for this development and a commitment is made to employ a diverse workforce as enumerated herein.

### II. Goals

### A. M/W/DSBE Participation Ranges

The City of Philadelphia has established a citywide goal of 35% M/W/DSBE utilization as informed by its Annual Disparity Study.<sup>3</sup> This citywide goal should be used as a benchmark for the Purchaser's expression of Best and Good Faith Efforts which are efforts taken by Purchaser to provide meaningful and representative opportunities for M/W/DSBEs in the Project. For this project, in the absence of discrimination in the solicitation and selection of M/W/DSBEs, the percentage of MBE, WBE and DSBE participation that is reasonably attainable through the

<sup>&</sup>lt;sup>2</sup> A list of "OEO approved certifying agencies" can be found at www.phila.gov/oeo

<sup>&</sup>lt;sup>3</sup> The City of Philadelphia FY'16 Annual Disparity Study recommends an overall goal of 35% based upon an analysis of FY'16 utilization and availability.

exercise of Best and Good Faith Efforts is stated below as participation ranges. These percentages relate to the good faith estimated cost of the entire Project. In order to maximize opportunities for as many businesses as possible, a firm that is certified in two or more categories (e.g. MBE and WBE and DSBE or WBE and DSBE) will only be credited toward one participation range as either an MBE or WBE or DSBE. The firm will not be credited toward more than one category. These ranges are based upon an analysis of factors such as the size and scope of the development and the availability of MBEs, WBEs, DSBEs and DBEs to participate in this Project:

MBE	WBE	
25%	10%	

### B. Workforce Goals for a Diverse Workforce

As a benchmark for the expression of "Best and Good Faith Efforts" to provide meaningful and representative opportunities for diverse workers in the Project, the following goals have been established for the employment of minority persons and females in the Project workforce of apprentices and journeymen at the following levels<sup>4</sup>:

African American Journeypersons -22% of all journey hours worked across all trades Asian Journeypersons -3% of all journey hours worked across all trades Hispanic Journeypersons -15% of all journey hours worked across all trades Female Journeypersons -5% of all journey hours worked across all trades

Minority Apprentices -50% of all hours worked by all apprentices Female Apprentices -5% of all hours worked by all apprentices

# III. Responsiveness

A. Purchaser shall, and shall cause its participants to identify all M/W/DSBE commitments and agree to employ a diverse workforce on the form entitled, "M/W/DSBE Participation and Workforce Commitments." The commitments on this form constitute a representation that the identified M/W/DSBE is capable of providing commercially useful goods or services relevant to the commitments and that the Purchaser and its participants have entered into legally binding agreements with the listed M/W/DSBEs for the work or supply effort described and the dollar/percentage amount(s) set forth on the form. In calculating the percentage of M/W/DSBE participation, the standard mathematical rules apply in rounding off numbers. In the event of inconsistency between the dollar and percentage amounts listed on the form, the percentage will govern.

<sup>&</sup>lt;sup>4</sup> These goals are informed by the City of Philadelphia's annual disparity assessment of workforce diversity, the "Economic Opportunity Plan Employment Composition Analysis Fiscal Year 2016."

- B. M/W/DSBE commitments are to be memorialized in a written subcontract agreement. Letters of intent, quotations, contracts, subcontracts and any other documents evidencing commitments with M/W/DSBEs, including the M/W/DSBE Participation and Workforce Commitments Form, become part of and an exhibit to this Plan.
- C. DHCD will review the M/W/DSBE Participation and Workforce Commitments Form for the purpose of determining whether Best and Good Faith Efforts have been made. DHCD reserves the right to request further documentation and/or clarifying information at any time during the construction and development of the Project.
- D. If Purchaser, its participants or any subsequent developer makes any changes in contracts that have been reviewed by DHCD under the Plan, or if Purchaser at the time of Closing has not yet identified contracts entered into for the development of the Project, then Purchaser,

its participants or any subsequent developer shall have the obligation to inform DHCD of any changes to the approved Plan and shall use Best and Good Faith efforts to use M/W/DSBEs for any new contracts.

### IV. Compliance and Monitoring of Best and Good Faith Efforts

A. A hard copy of this Plan, as certified below by OEO, shall be filed with the Chief Clerk of City Council within fifteen (15) days of Closing. The Plan shall be filed with:

Chief Clerk of City Council Room 402 City Hall Philadelphia, Pennsylvania 19107

- B. Purchaser and its participants agree to cooperate with DHCD in its compliance monitoring efforts, and to submit, upon the request of DHCD, documentation relative to their implementation of the Plan, including the items described below:
  - Copies of signed contracts and purchase orders with M/W/DSBE subcontractors:
  - Evidence of payments (cancelled checks, invoices, etc.) to subcontractors and suppliers to verify participation; and
  - Telephone logs and correspondence relating to M/W/DSBE commitments.
  - To the extent required by law, the Purchaser and its participants shall ensure that all its on-site contractors maintain certified payrolls which include a breakout of hours worked by minority and female apprentices and journeypersons; these documents are subject to inspection by the City.

### C. Prompt Payment of M/W/DSBEs

 The Purchaser and its participants agree and shall cause all its contractors to ensure that all M/W/DSBEs participating in the Project receive payment for their work or supply effort within five (5) business days after receipt of a proper invoice following satisfactory performance.

# D. Oversight Process

1. Where the dollar value of development is in excess of Five Million Dollars (\$5,000,000), the Plan shall establish a Project Oversight Committee, consisting of, as appropriate, the contractor, developer or recipient of financial assistance and representatives of the Purchaser, PLB, OEO, DCHD, City Council, and appropriate community organizations. Such Committee shall meet regularly, beginning no later than the initiation of the design phase of the project, and shall be responsible for facilitating compliance with the Plan. OEO will implement the Oversight Process, as required by Section 17-1603(b) of

The Philadelphia Code. The Oversight Committee, through the Oversight Process, shall have within its purview the reconciliation of all compliance related issues or grievances. The Oversight Committee Process, as needed, will involve convening individual consultation or periodic small group meetings to include any or all of the constituent parties.

# V. Remedies and Penalties for Non-Compliance

A. The Purchaser acknowledges and agrees that its compliance with the requirements of this Plan is a material inducement for the Ordinance of City Council and Purchaser's failure to substantially comply with the Plan may result in enforcement actions and the imposition of penalties as authorized by Sections 17-1605 and 17-1606 of The Philadelphia Code. Notwithstanding the foregoing, no privity of contract exists between PLB, the City and any M/W/DSBE identified in any contract resulting from implementation of the Plan. Neither PLB nor the City intends to give or confer upon any such M/W/DSBE any legal rights or remedies in connection with subcontracted services under any law or policy or by any reason of any contract resulting from implementation of the Plan except such rights or remedies that the M/W/DSBE may seek as a private cause of action under any legally binding contract to which it may be a party.

Anthony Bright	12/1/24
PRINT NAME OF PURCHASER	DATE
A mthous Bright	12:1/24

SIGNATURE OF PURCHASER

DATE

Mathew Tharakan	12-04-2024
MATHEW THARAKAN , DEPUTY DIRECTOR, DHCD	DATE
Lynn T. Newsome	12/05/2024
LYNN T. NEWSOME, DEPUTY DIRECTOR OF COMMERCE, OEO	DATE

Last Updated: 8/7/2024

1. <u>ADDRESS:</u> 3801, 3803, 3811, 3814, 3816, 3850, 3852, 3960, 3962, and 3964 Reno Street

# 2. PROPERTY INFORMATION

<b>Zip Code</b> : 19104	Census Tract: 010800	Council District: 3
Zoning: RSA5	Lot Area: 9,835 SF	
OPA Value: \$230,100	Appraised Value: \$450,000	
Redevelopment Area: N/A	Urban Renewal Area: N/A	

# 3. APPLICANT INFORMATION

Applicant Name: Seamless Development Group2 LLC	Type: Business / Legal Entity	
Entity Owners: Khalief Evans (33%), Khaleel Evans (33%	S), Anthony Bright (33%)	
Mailing Address: 2423 N 4th St, Philadelphia, PA 19133		
Authorized Contact: Anthony Bright		
Application Date: March 13, 2024		

# 4. PROJECT INFORMATION

<b>Disposition Type</b> : Non-Comp: 51% of Site as Affordable, Workforce, or Mixed Income Housing	Strategic Plan Goal (Land Bank Only): Housing - Workforce (61%-120% AMI)
Price Paid at Settlement: \$1,000	Proposed Use: Residential
Development Type: New Construction	No. of Buildings: 10
Units: 10 units - Residential	End User: Sale to Homebuyer
Gross Floor Area (sq. ft.): 13,500 SF	Construction Cost / sq. ft.: \$158
Construction Costs: \$2,282,837	<b>Project Funding Available:</b> Committed and Verified - Applicant has provided documentation of available, committed funds in an amount no less than total project costs.
Total Project Costs: \$2,511,216	Mortgage Amount: \$N/A

# 5. APPROVALS, DEADLINES, EOP

Agreement Executed: TBD	<b>Economic Opportunity Plan Goals</b> : MBE 25% and WBE 10 %
Land Bank Board Approval: TBD	PRA Board Approval: N/A
Construction Commencement Deadline: 3 months	Construction Completion Deadline: 18 months after
after settlement	settlement

Last Updated: 8/7/2024

### 6. DEVELOPMENT SUMMARY

### A. How was title acquired?

Title for the properties was acquired by the City of Philadelphia or the Land Bank through Sheriff sale. The properties that are currently owned by the City have all the approvals to be transferred to the Land Bank.

### **B. Application Summary:**

Seamless Development Group2 will develop ten (10) units of single-family homes. The application was unsolicited and is qualified. An EOP plan will apply for this project.

#### C. Unit Details:

- 10 Total Units
- Single-family homes
- Maximum sale price of \$280,000
- Target households with incomes at or below 100% AMI.
- 2 stories, without basements, containing 3 bedrooms and 1.5 baths and a front porch
- Approximately 1,350 SF each.
- Eligible for Neighborhood Preservation Initiative's Turn The Key Program.

### D. Summary of Restrictions or Covenants:

This transaction is subject to the following only if the box is checked:

☑ Irrevocable Power of Attorney ☑ Right of Re-entry/Reverter

A Declaration of Restrictive Covenants will be placed on all the affordable units to ensure that they will remain affordable for a minimum of 15 years, and purchasers of the affordable units will be income-certified.

## E. Community Outreach:

- Meeting Date (if applicable): June 4, 2024

### 7. STAFF RECOMMENDATION

Staff recommends the disposition of 3801, 3803, 3811, 3814, 3816, 3850, 3852, 3960, 3962, and 3964 Reno St to Seamless Development Group LLC for development as single-family homes

Prepared by: Todd Hestand, Senior Development Specialist

Reviewed by: Angle Rodriguez, Executive Director

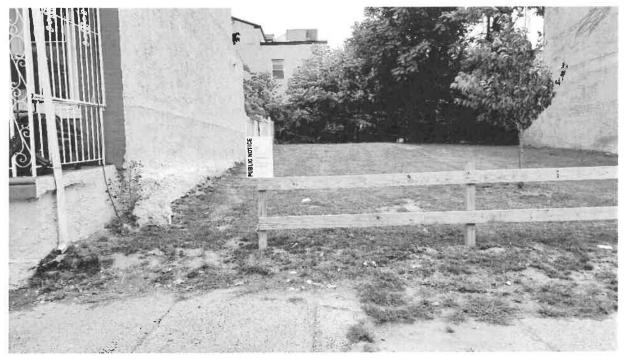
### Attachments - If box below is checked, the item is attached.

- ☑ Property photos
- Site Map
- **⊠** Floor Plans
- □ Sources and Uses (Excel spreadsheet)
- □ Appraisal Summary Pages

Last Updated: 8/7/2024

SITE PHOTOS

### **3811** Reno St



# 3801 and 3803 Reno St



Last Updated: 8/7/2024

# 3814 and 3816 Reno St



# 3850 and 3852 Reno St



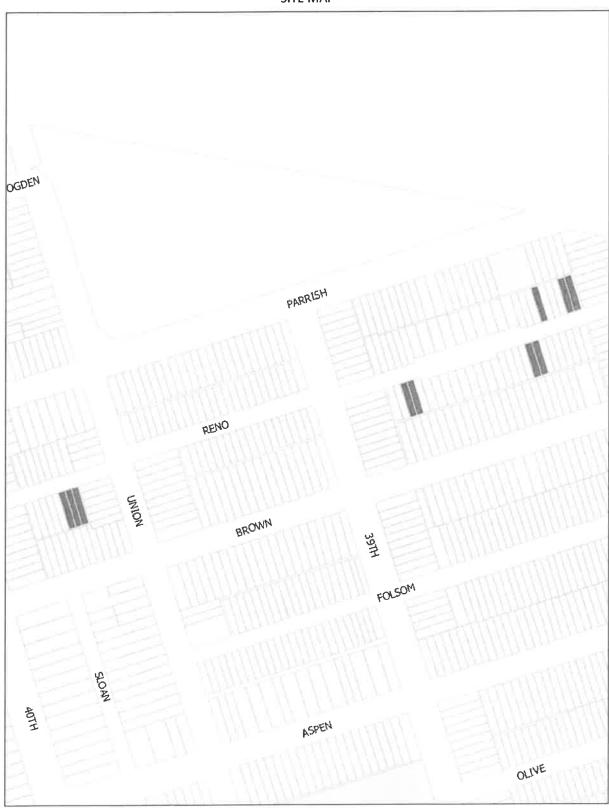
Last Updated: 8/7/2024

3960, 3962, and 3964 Reno St



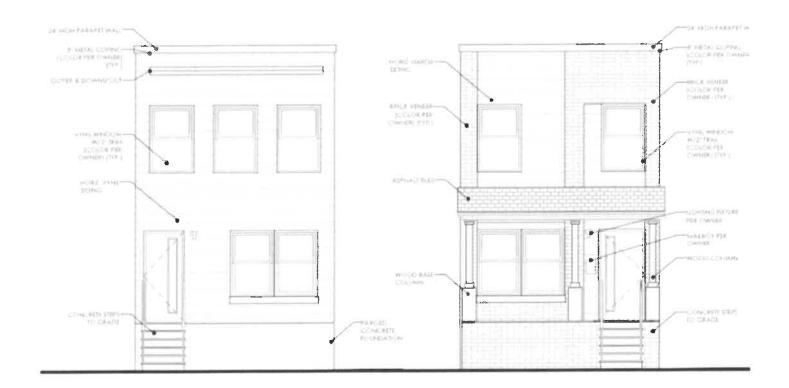
Last Updated: 8/7/2024

SITE MAP



Last Updated: 8/7/2024

### **ELEVATIONS**

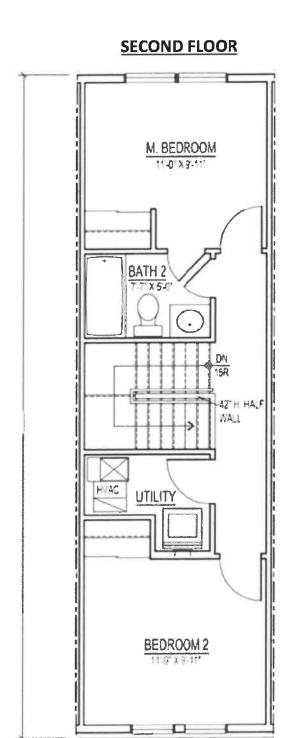


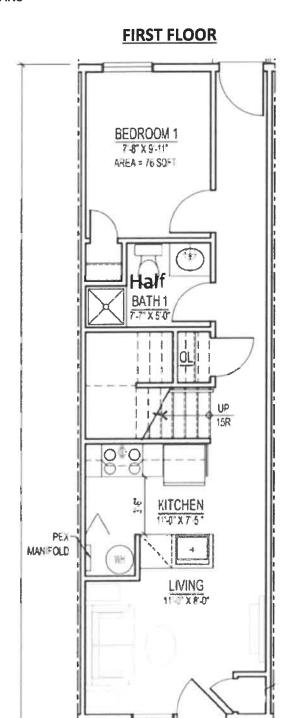
BACK ELEVATION

FRONT ELEVATION

Last Updated: 8/7/2024

### **FLOOR PLANS**





Last Updated: 8/7/2024

# **DEVELOPMENT BUDGET/ SOURCES AND USES OF FUNDS**

Applicant: SEAMLESS DEVELOPMENT GROUP 2

Property Address: 3801, 3803, 3811, 3814, 3816, 3850, 3852, 3960, 3962, and 3964 Reno St

#### SOURCE OF FUNDS

	Committed (Y/N)	Source	% Total	Indicate Source and, if applicable, describe
Senior Debt		\$2,019,373.00	80%	CDFI
Subordinate Debt		\$479,601.00	19%	PAF
Developer Equity		\$25,242.00	1%	SEAMLESS DEVELOPMENT GROUP 2
TOTAL SOURCE OF FUNDS	,	\$2,524,216.00	100%	

% Total

#### **USE OF FUNDS**

HARD COSTS

HARD COSTS	
ACCULICITION	
ACQUISITION	
D	

Cost \$1,000.00 0.04% Property Acquisition \$18,043.00 0.72% Closing Costs UNIT CONSTRUCTION

\$2,133,000.00 84.94% Complete table at bottom of page OTHER CONSTRUCTION

\$10,000.00 0,40% Landscaping \$11,500.00 0.46% Permits Clearance and Demolition \$0.00 0.00% 0.40% **Utility Connections & Tap Fees** \$10,000.00

**INFRASTRUCTURE** 1.99% \$50,000,00 Streets and Sidewalks 0.00% \$0.00 Water and Sewer Stormwater & Drainage \$10,000.00 0.40% \$0.00 0.00% Impact Fees

OTHER HARD COSTS 1.56% \$39,294.00 Hard Cost Contingency \$2,282,837.00 90.91% TOTAL HARD COSTS

#### SOFT COSTS

PROFESSIONAL FEES

\$0.00 0.00% Site Planning 2.56% \$64,380.00 Architecture & Engineering 0.00% \$0.00 Legal \$0.00 0.00% Consultant Survey \$0.00 0.00% \$5,000.00 Market Study 0.20% \$7,500.00 0.30% Environmental \$0.00 0.00% Organization Expense \$0.00 0.00% Other Consultants

FINANCE COSTS Construction Loan Interest \$36,720.00 1.46% \$12,651.00 Construction Origination \$3,500.00 Appraisal Construction Insurance

0.50% 0.14% \$16,667.00 0.66% **Property Taxes** \$4,831.00 0.19% OTHER SOFT COSTS

0.00% **Holding Costs** \$35,000.00 1.39% Soft Cost Contingency 0.00% Developer Fee, if applicable Other - describe in space to the right \$36,334.00 1.45% Debt Service-Pre Dev

0.23% Loan Origination Costs-Pre-Dev Other - describe in space to the right \$5,796.00 \$228,379.00 9.09% **TOTAL SOFT COSTS** 

**TOTAL DEVELOPMENT COST** 

#### Construction/Rehab. Costs

Unit Description	Unit Sq. Ft.	Cost/Sq. Ft.	Unit Cost	# Units	Total Const. Cost
1 3 BR, 1.5 baths, w/porch, no basemt	1,350	\$158.00	\$213,300.00	10	\$2,133,000.00
		TOTALS	\$2,133,000,00	10	\$2.133.000.00

\$2,511,216.00

100.00%

Total Sq. Ft.	Total Sq. Ft. %
13,500	100.00%
13,500	100.00%

Last Updated: 8/7/2024

# APPRAISAL AND CURRENT USE SUMMARY

Lot #	Location	Use (vacant lot, side yard, garden, vacant building)	Agency	OPA Value (this year)	Opinion Of Value / Appraisal
1	3801 Reno St	Vacant lot	PLB	\$23,500	\$45,000
2	3803 Reno St	Vacant lot	PLB	\$23,500	\$45,000
3	3811 Reno St	Vacant lot	PLB	\$23,500	\$45,000
4	3814 Reno St	Vacant lot	PÜB	\$23,100	\$45,000
5	3816 Reno St	Vacant lot	PUB	\$23,100	\$45,000
6	3850 Reno St	Vacant lot	PUB	\$23,100	\$45,000
7	3852 Reno St	Vacant lot	PUB	\$23,100	\$45,000
8	3960 Reno St	Vacant lot	PUB	\$22,400	\$45,000
9	3962 Reno St	Vacant lot	PUB	\$22,400	\$45,000
10	3964 Reno St	Vacant lot	PUB	\$22,400	\$45,000