

60th Street Commercial Corridor

Category: **HOUSING & COMMERCIAL REAL ESTATE** | Geography: **PENNSYLVANIA**

For two decades, Reinvestment Fund has partnered with Neighborhood Restorations to revitalize and strengthen West Philadelphia.

During this time, we have helped finance 850 of the more than 1,150 homes Neighborhood Restorations (NRLP) has developed, along with nearly 64,000-square-foot of commercial space.

This project supported the substantial rehab of 45 properties located along the 60th Street commercial corridor in West Philadelphia. Development took place on the six blocks south of the 60th and Market Street SEPTA station—the third busiest station in the SEPTA system.

The project created 81 total units, including 60 units of affordable rental housing and 21 first-floor store front commercial properties. The commercial properties are below the LIHTC residential units, and are consolidated on the first three blocks south of the train station.

Reinvestment Fund supported the development of these units by providing a revolving construction loan in 2013. In 2015, Reinvestment Fund provided two permanent loans through the CDFI Bond Guarantee Program (BGP) funds to support the housing and commercial units. The

FINANCING SUMMARY

- \$6.7 million revolving construction loan
- \$1.6 million permanent mortgage for residential units
- \$600,000 permanent loan for commercial real estate units

IMPACT

- 45 properties and 81 units of mixed-use Low-Income Housing Tax Credit (LIHTC) residential and retail storefronts
- 60 of the units are residential with rent restricted to those making at or below 60% AMI

BGP financing allowed Reinvestment Fund to offer a fully amortizing 15-year \$1.6 million permanent mortgage at a lower interest rate for the housing units. Reinvestment Fund also used BGP financing to provide a \$600,000 permanent loan that fully amortizes over 20 years for the commercial units. This loan was also at a low interest rate, enabling the borrower to lease the units at affordable rates to local small businesses.

In addition to Reinvestment Fund, the commercial portion included financing by a City of Philadelphia Commerce Department Facade Grant.

The 21 commercial units are currently occupied by a variety of small businesses bringing an array of services to the neighborhood. The businesses have together formed a merchants association, further strengthening their presence and commitment to the neighborhood

All residential units are rent restricted to those making at or below 60% AMI, and, given the demand for affordable housing, have fully leased up. NRLP has a proven record of leasing residential properties in the West Philadelphia rental market where there is strong demand for quality, affordable housing. The rents are below market rates for superior quality properties compared to others in the area. Units include washers and dryers, central air, full kitchen amenities, security systems, private yards, basements, and low cost internet services. As with the recent NRLP projects, all residential units are to be LEED certified.



While the immediate area has a solid residential base and is one of West Philadelphia's historic neighborhood shopping centers, the commercial corridor was in considerable need of reinvestment. This project repaired vacant properties and built new mixed-use properties on vacant parcels. The development is having a significant revitalizing and stabilizing effect on the corridor and surrounding neighborhood.



REINVESTMENT FUND

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REINVESTMENT FUND is a catalyst for change in low-income communities. We integrate data, policy and strategic investments to improve the quality of life in low-income neighborhoods.

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