

A FEASIBILITY STUDY  
AND  
DEVELOPMENT SCENARIO  
FOR  
ST. ANTHONY OF PADUA  
PARISH SCHOOL

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May 8, 1989

## Introduction

The following report is a hypothetical feasibility study for the St. Anthony of Padua Parish School and the southside of the 2300 block of Montrose Street. The study explores the notion of adaptive use for a school into housing, funding sources, financial strategies, completed successful projects, and a variety of agencies and organizations associated with low-income elderly housing.

There is an overwhelming need for low income housing in Philadelphia. More than 21,000 persons are on the Philadelphia Housing Authority waiting list for Section 8 certificates in 1984 alone. Of the 6,000 Section 8 certificates in Philadelphia, 2,500 are for efficiencies and one-bedroom units. Furthermore, well managed existing elderly projects have substantial waiting lists. It is clear that the demand for affordable, low-income, elderly housing is high, making the St. Anthony project truly feasible.

All estimates, costs and assumptions for the study are based on the knowledge and experience of a diverse group of professionals interviewed for this project between January and May of 1989

## Proposed Site

The proposed site is the vacant St. Anthony of Padua Parish School located on Carpenter Street, 2317-2333, between 23rd and 24th streets. The building is a four-story brick structure with a basement and garret designed within a romanesque mode. The basement level includes a high masonry water table. The first and second floors are grouped together by tall, round arched windows. The third floor is characterized by segmentally arched windows and the fourth has round arched windows with a frieze of brick corbelling. The principal facade is a tripartite unit with a projecting central bay. The central bay consists of masonry steps with cast iron railing, a double round arched entry and two stories of a tripartite window. Surmounting the bay is a corbelled pediment with a roundel flanked by two massive chimneys. On the west side of the building is an imposing four-story brick stair tower.

The interior of the school includes a decorative auditorium comprising the first and second floors and class rooms on the upper levels. The auditorium includes coupled fluted Ionic columns, Doric columns topped with an egg and dart motif, a large proscenium arch and a horseshoe-shaped balcony level with arcaded, corners using a Composite capital on turned shafts. The third and fourth floors have four classrooms each with a central corridor. A typical classroom has tongue-and-groove wainscoting, chalkboards, drop fluorescent lighting and horizontal radiator pipes. The garret level is one open space subdivided by a system of partitions and side cloak rooms.

## History

Within Catholicity in Philadelphia, Joseph Kirlin writes in 1909 of the history of Saint Anthony's. He indicates that in an effort to improve the much desolate district along the Schuylkill River, Archbishop Wood purchased property on Gray's Ferry Road. Not until November, 1886, when the Reverend John J. Ferry was appointed to organize a new parish was a temporary chapel constructed. This chapel was considered more a hall than a church serving the early congregation on a lot along Gray's Ferry Avenue below Carpenter Street. Later a new lot was purchased at Gray's Ferry and Fitzwater Street on which the corner stone was blessed on June 16, 1889 by Archbishop Ryan, and before December of that year the basement was opened for divine services. The church, by architect Frank Watson, was completed under the guidance of Reverend William P. Masterson and finally dedicated by Archbishop Ryan on November 26, 1893. Initially, the adjacent two dwellings on Fitzwater Street were purchased between 1889 and 1890 and served as a rectory for about fifteen years. In 1905, Father Masterson demolished the two structures and erected a new rectory.

Completing Father Masterson's vision for his parish was the erection of a parochial school. On April 3, 1895, Archbishop Ryan purchased several lots on Carpenter Street between 23rd and 24th streets from the trustees of Joseph Dugan's will and Mrs. Elizabeth Lucas. Architect, Frank Watson was hired once more to design the grade school which was described by Kirlin as a "large, well equipped school." The school opened on September 13, 1897 with a convent for the Sisters of the Immaculate Heart of Mary constructed accross the street. According to the 8th Annual Report of the Superintendent of Parish Schools of the Archdiocese of Philadelphia 1901-02, the school served grades one through eight. For the school year 1901 to 1902, 316 boys and 346 girls attended under the supervision of twelve teachers from the Sisters of the Immaculate Heart. The school remained an active parish educational institution with enrollment averaging between 600 and 900 pupils per year. Not until the 1970's

did enrollment begin to decline. With the constant downtrend of parishioners, the Archdiocese had no choice but to consolidate their Philadelphia schools. In 1987, the sisters were reappointed to parish schools in West Philadelphia and St. Anthony was sold by John Cardinal Krol at an auction to a private owner.

### Location and Neighborhood

The St. Anthony of Padua Parish School is located within a dense residential neighborhood known as South Center Philadelphia and locally as the Naval Home Area. The area includes a mix of residential, commercial and industrial zoning. The 2300 block of Carpenter Street specifically is zoned 10A, residential, single family dwellings. Commercial zoning is usually found on corner lots whereas a general industrial zoning, G2, is zoned for Washington Avenue. The building is located within a mile distance from downtown Philadelphia (Broad and Market streets) and sited adjacent to the number 7 bus route which runs south on 23rd and north on 22nd.

The area is characterized by stable low-income, owner-occupied blocks among pockets to the east of blighted sections as well as recent revitalized areas to the north. Directly to the north and east of the school are rows of deteriorating vacant single family houses. Specifically, behind the school is the 2300 block of Montrose Street. The south side stands ninety percent vacant and rapidly deteriorating; whereas, the north side stands ninety percent owner-occupied.

## Neighborhood Profile

Police: 17th District Operations, located 5 blocks southeast at  
20th and Federal streets

Post Office: Schuylkill Branch located 4 blocks east at 19th and  
Montrose

### Recreation and Social Services:

Anderson Recreation Center, 17th and Fitzwater streets  
Ridgeway Recreation Center, Broad and Christian streets  
Chew Recreation Center, 19th and Washington Avenue  
Philadelphia Center For Older People, 509 S. Broad Street

### Hospitals and Health Care:

Methodist Hospital, 2301 S. Broad Street  
The Graduate Hospital, 1800 Lombard Street  
U of Penn. Hospital, 34th and Spruce Street  
Richardson's Pharmacy, 1931 Christian Street  
Roth's Pharmacy, 2221 Gray's Ferry Avenue  
Community Senior Respite Center, 739 S. 17th Street

### Religious Organizations and Churches:

Church of the Lord Jesus Christ of the Apostolic Faith, 22nd  
and Bainbridge streets  
Circle Mission Church Home & Training School Inc., 772 Broad  
Grant James W. Lodge 131, 1528 Christian Street  
St. Simon's Parish House, 22nd and Reed streets  
Unity Mission Church Home Training School Annex, 511 S. 21st  
Ebenezer Seventh Day Adventist Church, 15th and Christian streets  
Metropolitan AME Church, 20th and Fitzwater streets  
Varick Memorial AME Zion Church, 19th and Catharine streets  
St. James AME Zion Church, 20th and Reed streets  
Church of the Apostolic Faith, 22nd and Bainbridge streets  
Cana Galilee Baptist Church, 2231 Carpenter Street  
First African Baptist Church, 16th and Christian streets

Holy Trinity Baptist Church, 1818 Bainbridge Street  
King David Baptist Church, 1133 S. 20th Street  
New Day Spring Baptist Church, 1621 Bainbridge Street  
New Gethsemene Baptist Church, 2301 Wharton Street  
New Light Beulah Baptist Church, 1701 Bainbridge Street  
Shiloh Baptist Church, 2040 Christian Street  
Solid Rock Baptist Church 1836 Federal Street  
Temple Baptist Church, 2300 Madison Square  
Zion Hill Memorial Baptist Church, 2702 Ellsworth Street  
Southern Tabernacle Missionary Baptist Church, 1000 S. 19th  
St Anthony of Padua, 2321 Fitzwater Street  
St Charles' Church, 902 S. 20th Street  
True Gospel Tabernacle Family Church, 763 S. 17th Street  
Church of God & Saints of Christ, 602 S. Broad Street  
St Mary's Church Rectory, 1831 Bainbridge Street  
St Simon The Cyrenian Church, 22nd and Reed streets  
Memorial Chapel of Holy Communion Rectory, 2631 Wharton Street  
New Birth United Holines Church, 1144 S. 23rd Street  
United House of Prayer for all People, 742 S. 16th Street  
Emmanuel Chapel, 1127 S. Broad Street  
Tindley Temple United Methodist Church, 762 S. Broad Street

Shopping:

A & W Grocery, 1840 Carpenter Street  
Baek's Food Market, 1827 S. 20th Street  
Bainbridge Food Market, 1943 Bainbridge Street  
Batton's Grocery Store, 1701 Federal Street  
Ha Chae Kun, 2200 Christian Street  
Hwang Manok, 2243 Christian Street  
Joel's Fresh Produce & Seafood, 2250 St. Albans  
Nu-Tech Food Market, 724 S. 20th Street  
Odds & Ends, 1001 S. 25th Street  
Park's Grocery, 2200 Christian Street  
Reed's Grocery 714 S. 20th Street  
Seabrook's Edgar, 770 S. 19th Street  
South Square Market, 2221 South Street

Southside Food Market, 1900 South Street  
Stewart Gloria, 2351 Christian Street  
Top Self Grocery 2300 Fitzwater Street  
Wylie Willie, 1001 S. 18th Street  
Yim's Grocery Store, 755 S. 22nd Street

### Proposed Project

The proposed project is to rehabilitate the vacant St. Anthony parish school and the south side of the 2300 block of Montrose Street into low-income elderly housing. The small complex would include a mix of one-bedroom and efficiency apartments and a communal space within the school to provide congregate meals and social activities. The project is intended to provide affordable housing for lower income persons who are healthy, mobile and over the age of sixty as well as social support services for the tenants and senior citizens within the community.

The rehabilitation of the St. Anthony school will be undertaken by a limited partnership. A local community development corporation from the neighborhood under the guidance of the established Hawthorne Community Development Corporation, a non-profit 501 C-3 corporation will be the general partner and additional limited partnership will be identified through equity syndication. The community development corporation will have primary responsibility for managing the project along with professional assistance.

The development scenario includes three possible schemes. Each scheme rehabilitates the school and the eighteen row houses located on the south side of the 2300 block of Montrose Street into low-income elderly housing. However, each scheme offers alternatives to adapting the interior of the school into a mix of housing units and social spaces.

### Montrose Street Scheme

The St. Anthony project includes the southside of the 2300 block of Montrose Street. The local community development corporation will purchase eighteen row houses, numbers 2310 to 2344 and rehabilitate them into low-income elderly housing. The row is bounded to the east by Bonsall Street, to the west by a vacant lot number 2346 Montrose Street to the north by Montrose Street and to the south by the St. Anthony school.

The row consists of small, two-story brick, urban, workers' housing built around the third quarter of the 19th century. The proposed scheme is to couple the houses in pairs creating nine pairs in the row of eighteen houses. Each pair will comprise two, one-bedroom units; one located on the ground floor and the other on the upper floor. The facades of each pair with two entries will remain unaltered. The two entries will allow for private access to each unit. One entry will lead to the upper apartment while the other will lead directly to the ground floor apartment.

The function of these units is to provide additional rental income to the project and to provide affordable housing for healthy, mobile, low-income persons over the age of sixty. These one-bedroom units will be ideal for couples seeking interaction with fellow senior citizens. The close proximity of the houses to the school will allow the tenants easy access to communal spaces and social gatherings as well as the ability to maintain a sense of privacy.

### Montrose Street Acquisition

The average acquisition cost for the houses on Montrose Street is based on recent real estate transactions and listing in the Welcomat and The Philadelphia Inquirer. The average acquisition cost estimated for this study is \$8,000. However, 3 of the 18 houses are owned by the City of Philadelphia and or the Philadelphia Housing Development Corporation. Ownership by these organizations would allow for a property transfer. The organizations could sell the properties to the community development corporation for a nominal price. Therefore within the assumptions for development costs the total acquisition costs for the houses amounts to \$120,000. Another option to consider for the houses is to encourage the Philadelphia Redevelopment Authority to use its power of eminent domain to acquire the properties and resell them to the community group. Also, the Philadelphia Housing Development Corporation may claim Vacant House Rehabilitation and acquire the properties with funding from a Community Development Block Grant (CDBG).

Montrose Street Ownership

The following is a list of the most recent ownership according to the City of Philadelphia Department of Records.

#2310: Karl Krumholtz, 325 Camac Street

#2312: Martha Beckett

#2314: Bernard Steinfeld, 1503 Pine Street

#2316: Ralph R. Dubin, 1262 S. 21st Street

1978: Market Value 5,000, Taxable Assessment 1,150

#2318: Marvin Pittman

1986: Market Value 8,000, Taxable Assessment 2,416

#2320: Radcliff Realty c/o Leroy Kean 220 S. 16th Street

1969: Market Value 6,000, Taxable Assessment 1,812

#2322: J. P. Volkens, Whystford, New Jersey

#2324: Philadelphia Housing Development Corporation, 1982

#2326: Sheriff Sale to Lucille Howard 1983, 1,600

#2328: Sheriff Sale to Vincent Volpe 1982, 5,100

#2330: Marc Haber 1981, 4,000

#2332: Sheriff Sale to Stephen Greenstein 1970, 325

#2334: Robert Weaver, 3126 W. Dakota Street

1979: Market Value 1,600

#2336: St. Albans Check Cashing Corp. 756 S. 22nd Street

1978: Market Value 1,000

#2338: Sheriff Sale to City of Philadelphia

1985: Market Value 500

#2340: Robert Weaver, 1979: Market Value 1,400

#2342: Margaret Reid, 1957: Market Value 1,600

#2344: Kathryn Fleming, 1973: Market Value 8,000

Taxable Assessment 2,416

St. Anthony Scheme I

Scheme I for the school provides a total of 43 units and an entire ground level devoted to communal spaces.

	<u>1 Bedroom</u>	<u>Efficiency</u>
Ground Flr.	0	0
1st Flr.	4	5
2nd Flr.	5	5
3rd Flr.	5	5
4th Flr.	5	5
Attic	4	0
	<hr/>	<hr/>
Total	23	20

St. Anthony Scheme II

Scheme II provides a total of 41 units, a partial ground floor communal space for kitchen facilities and half of the auditorium space for social activities.

	<u>1 Bedroom</u>	<u>Efficiency</u>
Ground Flr.	4	0
1st Flr.	4	2
2nd Flr.	5	2
3rd Flr.	5	5
4th Flr.	5	5
Attic	4	0
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Total	27	14

St. Anthony Scheme III

Scheme III provides a total of 28 units and the entire auditorium space for kitchen facilities and social activities.

	<u>1 Bedroom</u>	<u>Efficiency</u>
Ground Flr.	4	0
1st Flr.	0	0
2nd Flr.	0	0
3rd Flr.	5	5
4th Flr.	5	5
Attic	4	0
Total	<hr/> 18	<hr/> 10

Model Project: Hawthorne School Villa

Alice Lipscomb and Joan Woods, as concerned local residents, initiated a proposal to rehabilitate the abandoned Hawthorne School located at 713 south 12th Street. The school stood vacant for over ten years subject to vandalism and trespassing. Lipscomb and Woods generated ideas for the space and eventually turned to Hugh Zimmers, architect. Zimmers Associates prepared a preliminary design for affordable elderly housing.

Financing for the Hawthorne School as a section 8, tax act project came from a multiple of sources both private and public. The total cost for the project came to 2.4 million, approximately \$40,000 per unit. The sources of funds included a \$200,000, 5% loan from the Enterprise Foundation; a \$435,000, 8.5% loan from CIGNA Corporation; a \$550,000, 1% loan from the City of Philadelphia; \$580,000 gross proceeds syndication; a \$200,000 grant from the Pew Foundation and a UDAG loan of \$360,000. Ninety-nine percent of the project is now owned by the Sun Co. who purchased the tax credit; whereas, the Hawthorne Community Development Corporation owns the ground rent. Therefore, in 15 years Hawthorne will be able to buy back the building due to the accumulated ground rent.

The Hawthorne Villa is managed by the non-profit Hawthorne Community Development Corporation, namely president, Alice Lipscomb and Joan Woods. The corporation with its board of directors has a co-general partnership with the Enterprise Co. and a limited partnership with the Sun Co. The facility opened March, 1987. It acts not as a health care unit but an affordable housing project, for residents primarily over 60 years old regardless of income. Each tenant is expected to pay 30% of their total income towards rent. The remainder of the rent is covered by Section 8 vouchers. However, there are some exceptions. Recently, two woman in their 40's determined to be mentally ill were accepted into the project as well as eight tenants who pay fair market value, \$325, for an efficiency. The Hawthorne Villa includes 55 units, 47 efficiencies and 8 one-bedrooms, 6 of which are wheelchair accessible. A communal

dining hall space, capable of seating up to 100 people, was created within a detached building which once served as a gym and auditorium for the school. In this space, dinner is served every Sunday for \$1 for the tenants and any local elderly, religious and community groups desiring to participate. Today, the facility has 6 vacancies out of the 55 units and there is a waiting list of approximately 50 persons.

The Hawthorne project represents a truly successful effort. The primary reason for its completion and continued success today is the endless energy and dedication of Alice Lipscomb and Joan Woods. Due to their concerns for the future of the neighborhood, the project was realized and the threat of a serious blighting force was terminated. They have even managed to acquire properties surrounding the school and rehabilitate them into low to moderate income rental housing.

## Contacts

### Urban Partners: Peter Lapham

Financial and development consultants for the Hawthorne School Villa project for low income, elderly housing. Peter Lapham discussed the innovative financial package created for the Hawthorne project and possible funding sources and financial strategies needed for a rehabilitation project.

### Zimmers Associates: Joe McCarthy, architect

Architectural firm responsible for redesigning the Hawthorne School into 55 rental units. Joe McCarthy revealed the designs for the apartments and communal space and reviewed the changes that were made to the original fabric without jeopardizing the tax credit.

### Office of Housing and Community Development: William Holmes

(Assistant Director for Housing) Allocate funds from HUD and a Community Development Block Grant (CDBG) to housing and economic development agencies; Philadelphia Housing Development Corporation (PHDC), Redevelopment Authority (RDA), Philadelphia Housing Authority (PHA), Community Development Corporations (CDCs).

### Philadelphia Historic Preservation Corporation: David LaFountaine, Donna Harris, Director

Seeking limited co-op, low-income housing for artists.

Their plan is to encourage local artists to contribute up front a down payment for a rehabilitation/mortgage loan from a local bank. PHPC is acting as developer, currently seeking an available building for rehab and a group of interested artists. Project is in response to a study made by the Pew Foundation investigating Philadelphia's need for low-income artist housing. The report is modeled after Boston's recent efforts and successes toward artist housing.

Philadelphia Historical Commission: Sally Elk

Sally Elk has indicated that the St. Anthony of Padua school and surrounding neighborhood is historically significant and eligible to be city certified. The houses specifically represent vernacular worker housing from the third quarter of the 19th century which stand relatively intact and unaltered. However, as a proposed section 8 and section 202 project using government funding, HUD would have to be the one to determine if the buildings were eligible as historic certified structures.

Philadelphia Corporation for the Aging: John Skirven

PCA is a non-profit organization which provides information and services for the elderly community of Philadelphia. John Skirven as Housing Director discussed the factors needed to be considered for a elderly housing project using private, city, state and federal funding. He explained the workings of HUD's programs such as Section 8, 202, and 231 and the use of local lenders to obtain fixed rate mortgages or bonds.

## Revenues

The following is the estimated rental income for the school building and the Montrose Street houses. Monthly rent is based on the average Fair Market Value within the neighborhood and for the Hawthorne Villa.

1 Bedroom: \$400

Efficiency: \$325

	<u>Monthly</u>	<u>Annually</u>
Scheme I: 23 1 Bedrooms	\$9,200	\$110,400
20 Efficiencies	\$6,500	\$78,000
Total	<hr/> \$15,700	<hr/> \$188,400
Scheme II: 27 1 Bedrooms	\$10,800	\$129,600
14 Efficiencies	\$4,550	\$54,600
Total	<hr/> \$15,350	<hr/> \$184,200
Scheme III: 18 1 Bedrooms	\$7,200	\$86,400
10 Efficiencies	\$3,250	\$39,000
Total	<hr/> \$10,450	<hr/> \$125,400
Montrose Street: 18 1 Bedrooms	\$7,200	\$86,400

## Operating Expenses

Estimating the operating expenses for one year is based on a per unit figure. The Hawthorne Villa for 1989 averages \$2,000 per unit. Most operating expenses average between \$2,000 and \$2500. The following estimated operating expenses are based on a \$2,400 per unit basis.

Montrose Street Houses: \$43,200

Scheme I: \$103,200

Communal Ground Floor: \$5,000

Total: \$108,200

Scheme II: \$98,400

Communal Space: \$5,000

½ Auditorium: \$5,000

Total: \$108,400

Scheme III: \$69,600

Full Auditorium: \$15,000

Salaries and Wages

Employees' Benefits

Electricity

Gas

Water

Painting and Decorating

Supplies

Repairs

Management

Legal & Accounting Fees

Miscellaneous Expenses

Insurance

Real Estate Taxes

Reserves

## Development Costs

Development costs including acquisition, construction and soft costs initially can be determined on a per unit basis. Research concluded that \$55,000 per unit is a reasonable estimate for the school and \$45,000 for the houses on Montrose Street. For the communal space and kitchen, \$200,000 is an approximate figure needed to cover the development costs and the auditorium is estimated on a square foot basis, \$50 per sq. ft.

Houses: 18 units	
(45,000 per unit)	\$810,000
 Scheme I: 43 units	
(55,000 per unit)	\$2,365,000
Communal Space	<u>\$200,000</u>
Total	\$2,565,000
 Scheme II: 41 units	
(55,000 per unit)	\$2,255,000
Communal Space	\$200,000
½ Auditorium 5850 sqft	
(\$50 per sq.ft.)	<u>\$292,500</u>
Total	\$2,747,500
 Scheme III: 28 units	
(55,000 per unit)	\$1,540,000
Auditorium 11,700 sqft	
(\$50 per sq.ft.)	<u>\$585,000</u>
Total	\$2,125,000

Development Costs

## Assumptions:

SchemesIIIIII

## Acquisition

School	\$300,000	\$300,000	\$300,000
Montrose Street Houses	\$120,000	\$120,000	\$120,000
Closing Costs 6%	\$25,200	\$25,200	\$25,200

## Construction

Construction Cost (40,000 per unit)	\$2,440,000	\$2,360,000	\$1,840,000
Communal Space	\$200,000	\$200,000	
Auditorium		\$292,000	\$585,000
Contingency 5%	\$122,000	\$118,000	\$92,000
Bond 1.2%	\$29,280	\$28,320	\$22,080

## Soft Costs

Arch. & Eng. 5.5% (const.)	\$134,200	\$129,800	\$101,200
Permits and Fees	\$7,500	\$7,500	\$7,500

## Financing Costs

(1500 per unit)	\$91,500	\$88,500	\$69,000
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## Holding Costs (2200 per unit)

\$134,200	\$129,800	\$101,200
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## Developers Fee (2500 per unit)

\$152,500	\$147,500	\$115,000
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## Total Development Costs

\$3,756,380	\$3,946,620	\$3,378,180
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## Less 9% low-income Tax Credit

\$108,498	\$97,542	\$77,877
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## Less 10% Tax Credit

\$264,000	\$285,200	\$242,500
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(on constr. costs)

\$3,383,882	\$3,563,878	\$3,057,803
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### Debt Service Coverage

Estimating the annual debt service indicates the amount of money available after operating expenses to cover the 1st mortgage.

Rental Income  
- 6% Vacancy  
- Operating Expenses  

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Divided by 1.15  
(Debt Service) = Annual Debt Service

<u>Scheme I:</u>	<u>School</u>	<u>Houses</u>	<u>Total</u>
Annual Income	\$188,400	\$86,400	\$274,800
Operating Expenses	\$103,200	\$43,200	\$146,400
(Communal Space)	\$5,000		\$5,000
Vacancy 6%	\$11,304	\$5,184	\$16,488
			<hr/>
			\$106,912

Annual Debt Service:

106,912 divided by 1.15 = \$92,966.95

Monthly Debt Service:

divided by 12 = \$7,747.25

<u>Scheme II:</u>	<u>School</u>	<u>Houses</u>	<u>Total</u>
Annual Income	\$184,200	\$86,400	\$270,600
Operating Expenses	\$98,400	\$43,200	\$141,600
(Communal Space)	\$5,000		\$5,000
(½ Auditorium)	\$5,000		\$5,000
Vacancy 6%	\$11,052	\$5,184	\$16,236
			<hr/>
			\$102,764

Annual Debt Service:

102,764 divided by 1.15 = \$89,360

Monthly Debt Service:

89,360 divided by 12 = \$7446.66

<u>Scheme III:</u>	<u>School</u>	<u>Houses</u>	<u>Total</u>
Annual Income	\$125,400	\$86,400	\$211,800
Operating Expenses	\$67,200	\$43,200	\$110,400
(Auditorium)	\$15,000		\$15,000
Vacancy 6%	\$7,524	\$5,184	\$12,708
			<hr/>
			\$73,692

Annual Debt Service:

73,692 divided by 1.15 = \$64,080

Monthly Debt Service:

64,080 divided by 12 = \$5,340

## Funding Sources

MEND: 10-year self-amortizing loan/grant administered by the Philadelphia Housing Development Corporation through HUD to subsidize housing rehabilitation costs ranging from \$7,00 per 1 bedroom unit to \$6,000 for an efficiency. There is no pay back as long as the developer meets program requirements.

UDAG: grant administered by HUD to cover approximately 15% of the costs.

City of Philadelphia: 30-year 1% loan to cover approximately 25%.

HOMES: first mortgage loan for \$20,000, deferred, from the State of Pennsylvania.

Private Foundations: certain city and state foundations offer grants towards projects aiding the elderly.

Local Lender: local banks such PNB and Mellon actively participate in the Community Reinvestment Act and will offer loans at 10-11%.

Section 312 Rehabilitation Loan: low-interest loan administered by HUD through the Philadelphia Housing Development Corporation to projects for low to moderate-income housing.

Section 8: Funds used from HUD to provide housing for low-income families through supplementary rent payments. Subsidies cover the difference between the fair market rent as determined by HUD and the amount the family can afford to pay (30% of income).

Tax Credit: Economic Recovery Tax Act grants a 10% tax credit for the rehabilitation of income-producing properties eligible for the National Register.

Section 202: a low-interest loan from HUD for private, non-profit corporations to help finance the construction or rehabilitation of rental or cooperative housing for the elderly and handicapped.

Section 16b2: HUD provides funds to private non-profit organizations to purchase vehicles and related equipment for the provision of special transportation services to the elderly and handicapped.

Rental Rehabilitation Program: HUD provides grants to the Philadelphia Housing Development Corporation to be used for rental housing for lower income families.

Syndication: include a number of limited partners via equity syndication would allow the community development corporation to sell the tax credit.

Financing Assumptions

	<u>Scheme I</u>	<u>Scheme II</u>	<u>Scheme III</u>
MEND	\$407,000	\$399,000	\$312,000
HOMES	\$20,000	\$20,000	\$20,000
UDAG	\$563,457	\$591,993	\$506,727
City Loan	\$600,000	\$600,000	\$600,000
Private Foundations	\$500,000	\$500,000	\$500,000
Local Lender Loan (30-yr.10.5%)	\$1,000,000	\$1,000,000	\$1,000,000
Loan 2(15-yr.10.5%)	\$500,000	\$500,000	\$500,000
	<hr/>	<hr/>	<hr/>
Total	\$3,590,457	\$3,610,993	\$3,438,727
Monthly Payments	\$5,932	\$5,932	\$5,932
Available Debt Service	\$7,747	\$7,446	\$5,340
	<hr/>	<hr/>	<hr/>
	\$1,815	\$1,514	-\$592

## Conclusion

The most feasible scenario in the study is scheme I then scheme II and scheme III. Scheme I has the largest rental income to support loans and a mortgage. However, each scheme is ultimately feasible. Currently, there is no set funding guidelines, answers or limits. Creating a financial package for a housing project is a puzzle. After determining a rough estimate of the development costs, one must look at all the possibilities of financing, both public and private. It takes creativity and a thorough knowledge of the sources in order to manipulate them to fit your needs. Ultimately, a financing package could be created for each scheme; however, rough preliminary estimates indicate that scheme I is the most feasible and realistic. Another factor essential to a feasible and successful project is a dedicated community development group who could oversee the project through to completion and to ultimately manage and own the units.

The issue of feasibility for this project is not the only one. Working with a historic structure stimulates many questions and concerns. As a preservationist, the most prominent issue is the appropriateness of an adaptive use idea. Is low-income elderly housing the best adaptive use scheme for the St. Anthony school. Due to the auditorium, the idea becomes questionable. If the project is only feasible without the auditorium, one may insist on waiting for a more appropriate idea. However, I believe for this project, low income elderly housing is appropriate for social and economic reasons. The project would provide new housing for Philadelphia's growing elderly population as well as eliminate a blighting force in the neighborhood. Also, the thought of waiting and allowing the building to remain vacant often encourages vandalism and trespassing.

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