

**City of Philadelphia
Economic Opportunity Plan**

**Sharon Baptist Senior
Residences**

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I. Introduction and Definitions

The City of Philadelphia strongly encourages 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 Sharon Baptist Senior Residences (the "Project") located at 3940 Conshohocken Avenue ("the Site") which may include financial investment, design, construction, and operations. ¹ In support of this objective, the City of Philadelphia will require that a partnership of Sharon Baptist Church and Pennrose, LP, LLC (the "Owner") commit to this Economic Opportunity Plan ("EOP" or "Plan"). 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 at the Site. This Plan shall be a part of and incorporated into the resulting agreement(s) with the owners of the Sharon Baptist Senior Residences.

The Owner hereby verifies that all information submitted to the Office of Economic Opportunity ("OEO") in response to this Plan is true and correct and takes notice 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 efforts of firms that are certified as M/W/DSBEs by an OEO-approved certifying agency will be eligible to receive credit as a Best and Good Faith Effort. ² 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/oec/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 the Project and a commitment is made to employ a diverse workforce as enumerated herein.

II. Project Scope

The Sharon Baptist Senior Residences will be a 51 unit senior housing apartment building. All of the units in the project will be reserved for individuals 62 or older. Each unit will consist of approximately 650 SF of living space and contain full bedrooms, living/dining room, kitchen, and bathroom. At least 10% of units will be designed to meet ADA regulations, and the remaining units will be adaptable to meet ADA regulations. Common areas throughout the building will be provided, including a community room, lounges, and small retail space.

III. Goals

A. M/W/DSBE Participation Ranges

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

² A list of "OEO approved certifying agencies" can be found at www.phila.gov/oec

As a benchmark for the expression of "Best and Good Faith Efforts" to provide meaningful and representative opportunities for M/W/DSBEs in the Project, the following participation ranges have been established. These participation ranges represent, 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 exercise of Best and Good Faith Efforts. 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 ranges are based upon an analysis of factors such as the size and scope of the Project and the availability of MBEs, WBEs, DSBEs and DBEs to participate in this development.

The following contract goals have been set for the Project:

Contracts	Minority Owned	Female Owned	DSBE	Total
Construction	20-25%	10-15%	BGFE	30-40%

B. Employment Goals

The owner agrees to exhaust Best and Good Faith Efforts to employ minority persons and females in its workforce of apprentices and journeymen at the following levels:³

- Minority Apprentices - 50% of all hours worked by all apprentices
- Minority Journeymen - 32% of all journey hours worked across all trades
- Female Apprentices - 7% of all hours worked by all apprentices
- Female Journeypersons -- 2% of all hours worked across all trades

Local Residents
32%

IV. Equity Ownership

The Philadelphia Code 17-1603 requires that each Economic Opportunity Plan include information concerning the Equity Ownership (as defined) of (1) the contractor, developer and/or recipient of financial assistance required to submit the Plan; (2) participants (as defined) engaged by the contractor, developer and/or recipient of financial assistance; and (3) the eventual owner or owners of the project or contract to which the Plan relates; and requiring periodic reports for the purpose of updating Equity Ownership information; all under certain terms and conditions.

³ These goals are based upon the recommendations of the Mayor's Advisory Committee on Construction Industry Diversity (MACCID), published in the 2009 MACCID Report; they have been augmented by OEO over time based upon labor market data.

Identify the current equity owners of the project.

Type of Ownership	% Minority Owned	% Women-Owned	% Disabled Persons
Sole Proprietorship	N/A	N/A	N/A
Partnership	N/A	N/A	N/A
Corporation	N/A	N/A	N/A

If the project is privately owned, the following individuals will become the anticipated Equity Owners upon completion.

Type of Ownership	% Minority Owned	% Women-Owned	% Disabled Persons
Sole Proprietorship	N/A	N/A	N/A
Partnership	N/A	N/A	N/A
Corporation	N/A	N/A	N/A

Following the completion of the project, the project owner is responsible for meeting the reporting guideline identified in the Philadelphia Code.⁴

V. Diversity Practices

In compliance with Chapter 17-1603, the Economic Opportunity Plan shall contain a statement from the contractor, developer, and/or recipient of financial assistance summarizing past practices by identifying and describing examples of processes used to develop diversity at any/all levels of its organization including, but not limited to, Board and managerial positions. This statement shall also summarize strategic business plans specific to current or past practices of M/W/DSBE utilization on government and non-government projects and procurement.

1. Describe employment and recruitment policies used to achieve diversity in your workforce.

At the commencement of each Pennrose project, all policy statements regarding equal opportunity, non-discrimination, diversity, and affirmative action will be distributed, either electronically or in hardcopy, to all entities with whom Pennrose or its primary contractor does business. All recruiting sources used by Pennrose and their contractors are informed of their respective commitment to equal opportunity, non-discrimination, and affirmative action. Listings of current openings for employment will be sent on a regular basis to appropriate sources for the recruitment and referral of applicants who are persons of color, women, veterans, persons with disabilities, and persons of diverse religions and national origins.

Selection for employment is made without regard to race, color, creed, religion, national origin, gender, sexual orientation, gender identity, marital status, age disability, or veteran status.

⁴ Per The Philadelphia Code 17-1603: *Continuing Reporting Requirements.*

(i) Within 30 days of each anniversary of the date that the Plan is finally certified, the contractor, developer and/or recipient of financial assistance shall file with the Chief Clerk of Council and the certifying agency an addendum to the original Plan that provides the Equity Ownership information required in subsection (g)(2), updated so that it is accurate as of the anniversary date. This requirement shall continue until the project is completed.

(ii) The final EOP report required pursuant to § 17-1604(2)(a) shall include updated Equity Ownership information that is accurate as of the date of the final report.

(iii) After the final EOP report has been filed, the owner or owners of the completed project shall have a continuing obligation to file a Statement of the owner's or owners' Equity Ownership within 30 days of each anniversary of the date that the final EOP report is submitted. The Statement shall be accurate as of the relevant anniversary date, and shall be filed with the Chief Clerk of Council and the certifying agency. No Statement shall be required if the completed project is not privately-owned.

Pennrose and its primary contractor will cooperate and work with all local, state, and federal government agencies and community groups, as well as national minority, multicultural, multiracial, disability, women's, and veterans organizations for the purpose of developing significant access to equal opportunity for all.

2. Provide the race, gender, and residential (local) status of your:

Pennrose Properties and Pennrose Management Company do not keep records of the race and/or gender of our workforce. For a general description of recruitment and hiring practices, see #1 above.

A. Directors	N/A
B. Management	N/A
C. General Workforce	N/A

3. Identify your organization's methods of solicitation and utilization of Minority, Woman and Disabled Businesses (M/W/DSBEs). Please be specific in describing outreach and any procurement policies that are focused on creating or sustaining business relationships with M/W/DSBEs.

The majority of solicitation and utilization of M/W/DSBEs related to Pennrose's development activities most often falls under the umbrella of responsibility of the general contractor of each project. The contractors (and the subcontractors they work with) make best efforts to engage M/W/DSBEs during construction. Pennrose's contractors have consistently performed above state, local, and federal requirements in this regard. Some examples of M/W/DSBE engagement are listed in the additional exhibit.

4. What percentage of your company's total spend with vendors and suppliers is attributable to M/W/DSBEs? Please include a list of the largest M/W/DSBEs used by your organization in the last 12 months.

At this time, the information requested is not kept on an organization-wide basis, only on a project by project level.

A. Identify the type of goods or services purchased.	N/A
B. Amount of the contract.	N/A
C. Indicate if any of these M/W/DSBEs are listed in the City of Philadelphia's Office of Economic Opportunity Registry.	N/A
D. Are these companies certified as M/W/DSBEs? Do you rely on any particular certifying agency?	N/A
E. If there is no previous M/W/DSBE utilization, the Plan shall contain a statement that explains the reason for the lack of M/W/DSBE participation in past contract(s) or project(s).	N/A

5. Describe any initiatives made by your organization to increase investment and promote equity ownership by minorities and women.

Please see the Pennrose general policy statement above.

VI. Responsiveness

A. The owner shall identify M/W/DSBE commitments and other agreements evidencing their intent to use Best and Good Faith efforts to employ minority persons and females at the levels stated herein. The identified commitments constitute a representation that the M/W/DSBE is capable of providing commercially useful goods or services relevant to the commitments and that the Owner has entered into legally binding commitments or other legally binding agreements with the listed M/W/DSBEs for the work or supply effort described and the dollar/percentage amounts set forth. 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.

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 become part of and an exhibit to the Agreement resulting from the RFP.

C. OEO will review the owner's commitments for the purpose of determining whether Best and Good Faith Efforts have been made. OEO reserves the right to request further documentation and/or clarifying information at any time during the construction and development of the Project.

VII. Compliance and Monitoring of Best and Good Faith Efforts

A. The owner agrees to cooperate with OEO in its compliance monitoring efforts, and to submit, upon the request of OEO, documentation relative to its 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 Owner shall ensure that 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 OEO.

B. Prompt Payment of M/W/DSBEs

The owner agrees and shall cause its contractors to ensure that M/W/DSBEs participating on the Project receive prompt payment for their work or supply effort within five (5) days after receipt of payment from the project owner.

C. Oversight Committee

For this Project, in the sole discretion of the City, an oversight committee may be established consisting of representatives from the Owner, representatives of the building trades, the construction manager, and the City which may include the Project site's district councilperson, OEO, and appropriate community organizations ("Committee"). The Committee will meet regularly to provide advice for the purpose of facilitating compliance with the Plan.

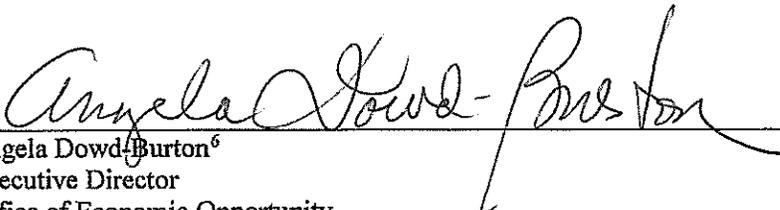
D. Reporting

The owner agrees to file an annual report with the City of Philadelphia and City Council concerning the performance of the Economic Opportunity Plan through the duration of the Project. In addition, during construction, the Owner will provide "snapshot" reports containing updates for certain categories of information contained in its annual report on a monthly basis during construction. Snapshot reporting will include: (i) utilization of M/W/DSBEs, and (ii) the hiring and employment of minorities and females. All reports (quarterly & annually) provided to the City under this section will also be provided to the Office of Economic Opportunity.

VIII. Remedies and Penalties for Non-Compliance

A. The owner agrees that its compliance with the requirements of this Plan is material to the Agreement. Failure to comply with the Plan may constitute a substantial breach of the Agreement and is subject to the remedies and penalties contained therein or otherwise available at law or in equity. Notwithstanding the foregoing, no privity of contract exists between the City and any M/W/DSBE identified in any contract resulting from implementation of the Plan. Neither the Owner 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.


 _____ 12/01/2015
 Date
 Timothy Henkel
 Senior Vice President
 Pennrose Development, LLC


 _____ 12/1/2015
 Date
 Angela Dowd-Burton⁶
 Executive Director
 Office of Economic Opportunity
 City of Philadelphia

⁵ The Owner's Representative is required to sign and date, but the City reserves the right to obtain the Owner's Representative signature thereon at any time prior to Plan certification. The Owner Representative will receive from the City a certified copy of its Plan which should be filed with the Chief Clerk of City Council within fifteen (15) days of the issuance and published by OEO, in a downloadable format, on the OEO website.

⁶ Pursuant to Section 17-1603 (2) of The Philadelphia Code, the representative of the City of Philadelphia's Office of Economic Opportunity, the "certifying agency", certifies that the contents of this Plan are in compliance with Chapter 17-1600.

Exhibit 1

Pennrose: Equal Opportunity Plan

Pennrose's development approach embraces the concept of creating opportunity within the communities we create by contracting with minority and women-owned businesses. Our activities are motivated by three core principles. We are **committed to being a good neighbor** by exceeding the hiring and training goals set by local municipalities and regulatory agencies. We are **focused on opportunity** by making sure that the general contractors we work with comply with minority and women-owned business contracting goals. And we are **engaged in the community** through extensive work with local organizations, workforce development offices and local government.

Pennrose understands the importance of creating economic opportunity through strong participation by minority and women-owned business (MBE/WBE). We have consistently demonstrated our commitment by providing employment and contracting opportunities to qualified MBE/WBE firms through dozens of projects.

Pennrose has in the past used, and will continue to use, MBE/WBE information from the various local agencies such as the Philadelphia Redevelopment Authority and Philadelphia Office of Economic Opportunity as sources to identify qualified businesses to participate in the contract. In addition, we rely on relationships that our contractors have built with MBE/WBE firms that have performed well in the past. We expect that the general contractor will continue to use these firms and provide opportunities. For example, we worked with Domus Inc., to develop an affirmative action policy with ambitious MBE/WBE goals for a project Pennrose completed in the City of Chester. As a result of effective management and oversight, the project achieved MBE utilization of 57%. The general contractors that we work with have been extremely successful in meeting MBE/WBE goals, receiving several certifications from the City of Philadelphia. Some of their achievements are listed below.

Total Contract Dollars	Help Philadelphia	Nicetown CT	MT Vernon Apts	Nugent Senior Housing	Villanueva Homes
MBE	22%	31%	24%	19%	18%
WBE	11%	6%	8%	8%	9%

Total Workforce	Help Philadelphia	Nicetown CT	MT Vernon Apts.	Nugent Senior Housing	Villanueva Homes
MBE	22%	31%	24%	19%	18%
WBE	11%	6%	8%	8%	9%

Our past experience setting MBE/WBE goals have either met or exceeded local, state or federal requirements. See an example of our team's achievements below.

Development	General Contractor	% MBE Utilization	% WBE Utilization
Montgomery Heights	Claremont Construction	34.0%	13.0%
Chatham Estates HOPE VI	Domus, Inc.	57.2%	0.0%
McCallie Homes HOPE VI- Demo/IF	Smoot Construction	35.6%	58.5%
Wellington Ridge HOPE VI (Rental)	Harkins Builders, Inc.	21.1%	0.5%
MLK HOPE VI - Phase I(PHL)	Domus, Inc.	22.0%	8.0%
Spencer's Place (PHL)	Domus, Inc.	29.0%	0.5%
Universal Court (PHL)	Domus, Inc.	33.0%	5.0%
The Chateau	Harkins Builders, Inc.	36.2%	2.2%
The Riviera	Harkins Builders, Inc.	36.9%	7.7%
Reservoir Hill	Southway/CL McCoy	41.1%	11.3%
Cherry Hill	Harkins Builders, Inc.	26.3%	0.5%

Pennrose has consistently performed above stipulated and/or targeted levels in contracting with MBE/WBE and local firms in affordable housing developments and is committed to the meaningful involvement of such firms during the proposed development of the project. To this end, the team will satisfy all local, state, and federal procurement policies relating to the utilization of MBE/WBE's and local enterprises associated with the development effort and beyond, and will commit to fulfill all goals set forth as feasible. In addition, Pennrose will require all contractors to include a MBE/WBE Plan as a bid document.

Pennrose is committed to doing its best to meet the goals of PRA/ OHCD by providing business opportunities across the full array of work categories, ranging from such categories as semi-professional and professional services to construction and material supplies. As part of this effort Pennrose would implement an outreach plan that will increase the opportunities for MBE/WBE businesses, which would generally consist of the following:

1. Hold meetings prior to the bidding of the work in order to supplement advertisement efforts and assist qualifying MBE/WBE firms in the procurement process.
2. Advertise the Pre-Bid informational meetings and the contracting opportunities provided by the project in the local area newspaper(s) and through other publications or organizations that target the minority community.
3. Notify certified MBE/WBE businesses who have capabilities pertinent to the work of the contract that their interest in the contract is being solicited.
4. Encourage joint venture relationships between MBE/WBE firms that can complement one another's services.

5. Where applicable, work with selected contractors to facilitate training for and ensure correct completion of Davis-Bacon Wage reporting regulations and other complicated reporting requirements.

Please note that Pennrose and the balance of the assembled team will not discriminate against any employee or applicant for employment because of race, color, religion, age, sex, marital status, military service disability, national origin, or sexual orientation. Pennrose will see that contractors also adhere to this policy. Specifically in regards to military service disability, Pennrose is sensitive to the issues surrounding veterans and recognizes the requirements of the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended. The team prides itself on providing opportunities to disadvantaged persons and will make every effort to include Vietnam Veterans in its hiring efforts by having the selected general contractor and its subcontractors advertise opportunities with local Veteran organizations and other agencies that will be able to disseminate information easily to Veterans.

Creating economic opportunity for local residents is a crucial part of comprehensive neighborhood revitalization. Pennrose is committed to providing employment and contracting opportunities to qualified, businesses and individuals from the community and surrounding neighborhood.