



Raymond Rosen / Eight Diamonds **Mixed-financed Community - Philadelphia, Pennsylvania**



Financial Structure

Development Sources for this Project include equity proceeds from the sale of 4% low income housing tax credits and housing authority capital funding. Total Development Costs are approximately \$26 million.

Michaels' role at Raymond Rosen began rather modestly. The Philadelphia Housing Authority was searching, on a competitive basis, for a private firm to construct 152 townhouses on a turnkey basis. Michaels was selected to build the development and, upon completion, turned ownership back to the Housing Authority.

Then, as construction was set to begin, a desire for enhanced amenities and inflation in local building prices led to contractor bids that were considerably higher than expected. Faced with a funding shortfall, Michaels and the Housing Authority worked quickly and cooperatively to formulate a "mixed-finance" strategy combining public housing capital funding with private equity.

As a result eight city blocks of formerly vacant, trash-strewn lots and deteriorated structures have been transformed into an attractive new townhouse development. "Eight Diamonds", as the Raymond Rosen townhouses are now called, is Philadelphia's first community to melt an in-fill, neighborhood setting, 100% occupancy by public housing residents and private ownership and management.

The Eight Diamonds development in North Philadelphia is being managed by our property management affiliate, Interstate Realty Management. Among Interstate's many innovative programs in North Philadelphia is one of the nation's first Neighborhood Network Computer Learning Centers. At the Center, education and job training programs are offered not only to Interstate tenants, but to neighborhood residents, as well. In 2002, Interstate was awarded a "Special Commendation" at HUD's National Neighborhood Networks Conference for the best computer center program in the country.