

## County of Lancaster Request for ARPA Funding

Organization OZFund, Inc.

Date 06/21/2022

Submitted By Jeremy P. Feakins

Authorized Signature 

Email Address 

Phone #: 

Please attach any supporting documentation for consideration. Submission should be in PDF Format.

<p><b>Project/Item Description</b></p>	<p>OZFund, Inc. is a community-focused Qualified Opportunity Fund (QOF) with plans to acquire distressed below-market properties located in the 'Opportunity Zones' of Central Pennsylvania and Mid-Atlantic regions for redevelopment into rental housing for America's working families and commercial space. One project is in progress and three additional properties have been identified for acquisition by the OZFund. The OZFund may make selective investments into businesses located in Opportunity Zones. The current project known as the Rebmans Project is located at 800 S. Queen Street in Lancaster. The commercial space which is approximately 7,000 sq. ft. will house Rebmans Fresh Market, which will provide healthy fresh foods, locally sourced as available and to-go meals. The site is located in a food desert with residents in the nearby neighborhoods needing to travel 1-2 miles for food shopping. There are no restaurants or a grocery nearby. Fifty-two apartments will be built on the property comprising 1-2 bedrooms.</p>
<p><b>Clearly state the amount being requested. What is the total cost? How was the cost derived?</b></p>	<p>The cost of the project is approximately \$14.2 million. About \$9.3 million of that will be provided through a construction finance company. The remaining project costs will be raised from local investors and the Founder, Jeremy Feakins. OZ has raised \$1,439,000 as of 4/25/21 from local investors with an additional \$500,000 pledged from Founder Jeremy Feakins. The Commonwealth has committed \$1 million from the RACP - Redevelopment Assistance Capital Project. Our current PPM allows for us to raise \$20,000,000 and we are in the process of completing a filing of our securities with the Securities and Exchange Commission (SEC) under Regulation A+ of the Securities Act in an amount of \$50,000,000. These funds will be used to develop multiple affordable housing projects in Pennsylvania, including Lancaster County. We have done preliminary work on additional sites but have not made material investment into drawings and plans at this point. Investment in the fund is available to qualified investors. As of today, there are approximately 20 individual investors. We expect that number to increase as we go forward. Construction costs have risen 19.2% over the year ending in April and 35.6% since the onset of the Covid-19 pandemic, <a href="#">according to the National Association of Home Builders</a>. This has placed more financial pressure on our project and why we are seeking financial support from the County of Lancaster ARPA fund. We are seeking \$2.0 million from ARPA.</p>
<p><b>Which County ARPA Community-wide Benefit(s) does the project meet?</b></p>	<p>Our revitalization project is located in a run-down neighborhood in Lancaster City. By designing and building safe affordable living accommodations on a large 2-acre property that has been underutilized for many years, we are significantly improving a long-neglected area. OZFund is in the process of building 52 affordable apartments in Lancaster City that will serve working families or active senior citizens and/or persons with disabilities. OZFund builds housing for tenants that are rented to those earning 80% of AMI. Of major importance, as a part of this project, the OZFund brings a local independent grocer with affordable, fresh quality foods, grocery and convenience items at a price point that families in our neighborhood can afford. Our tenants and nearby residents will benefit from our grocery store.</p>
<p><b>Briefly explain how the project meets the County's guidelines.</b></p>	<p>Blight remediation is an important component of a more holistic approach to community development and revitalization. By restoring an underused property into affordable apartments for Lancaster County working families together with a thriving grocery store, we are mitigating disinvestment. More importantly we are adding affordable places for Lancaster's working families to call home and helping to create jobs in places where people live and work. Our project is situated at the southernmost entryway to the City of Lancaster. It will enhance and beautify an area which has been much needed for many years.</p>

<p><b>Why should this project be a priority and how will it help the County? Also, if this application is for more than one project, please identify each one, provide information and rank them in order of your priority.</b></p>	<p>Affordable housing for working families is in critical short supply in Lancaster County and our nation as a whole. Our project meets an urgent need by utilizing the last recognized property of its size in an Opportunity Zone in Lancaster County. The property has been vacant for sometime. Transforming the site will be visually pleasing while addressing many areas of concern. It will provide affordable living, 1-2 bedroom apartments with amenities which Lancaster County is in desperate need. It will provide sidewalks creating a safe walkable area and lighted parking, and a grocer that will not only serve the residents of the project but surrounding residents as well. The apartment rents will be based on 80% AMI (Average Median Income) These residents will be paying local taxes to the area and spending their dollars to support local businesses. The project will give a marked improvement to the area without being invasive. It also includes a 'green roof' offering rooftop gardening for our tenants. The project will create new curbs tightening the entrance and exit on the property removing current traffic hazards. Street improvements, including new landscaping with multiple trees, shrubs and a new car park will also occur close to the site.</p>
<p><b>Will this project require ongoing expense (maintenance, updates) or frequent replacement? Are expenses already being incurred, if so, can they be reduced through this project?</b></p>	<p>Maintenance of the property will be maintained by a property management company hired by the OZFund, with little if any financial imposition on the city or county.</p>
<p><b>Project Timeline – start to finish, and when funding will be needed.</b></p>	<p>The project is on point to break ground late third quarter to fourth quarter of 2022 anticipating occupation in early 2024. Funding is needed in the fourth quarter of 2022 which is when construction will begin.</p>
<p><b>Are other organizations part of this project? If yes, please list them and their role, including funding. If not, explain why.</b></p>	<p>The Commonwealth has committed \$1 million from the RACP - Redevelopment Assistance Capital Project. It is the Fund's intent to continue to pursue additional funding from RACP. The Fund will continue to seek state and federal funding where appropriate. The project also received a \$150,000 loan from LHOP- Lancaster Housing Opportunity Partnership. Discussions continue with NMTC - New Market Tax Credits for support as well. Pennsylvania Housing Finance Authority (PHFA) is working with OZFund and will enthusiastically consider financial support. The Fund will be applying for grant funding from PennVest within the Commonwealth's DCED Office - Department of Community and Economic Development.</p>
<p><b>ARPA Committee Comments</b></p>	
<p><b>ARPA Committee Recommendation</b></p>	
<p><b>Funding Amount Recommended (if recommended for approval)</b></p>	<p>\$</p>