

# Novogradac Journal of Tax Credits

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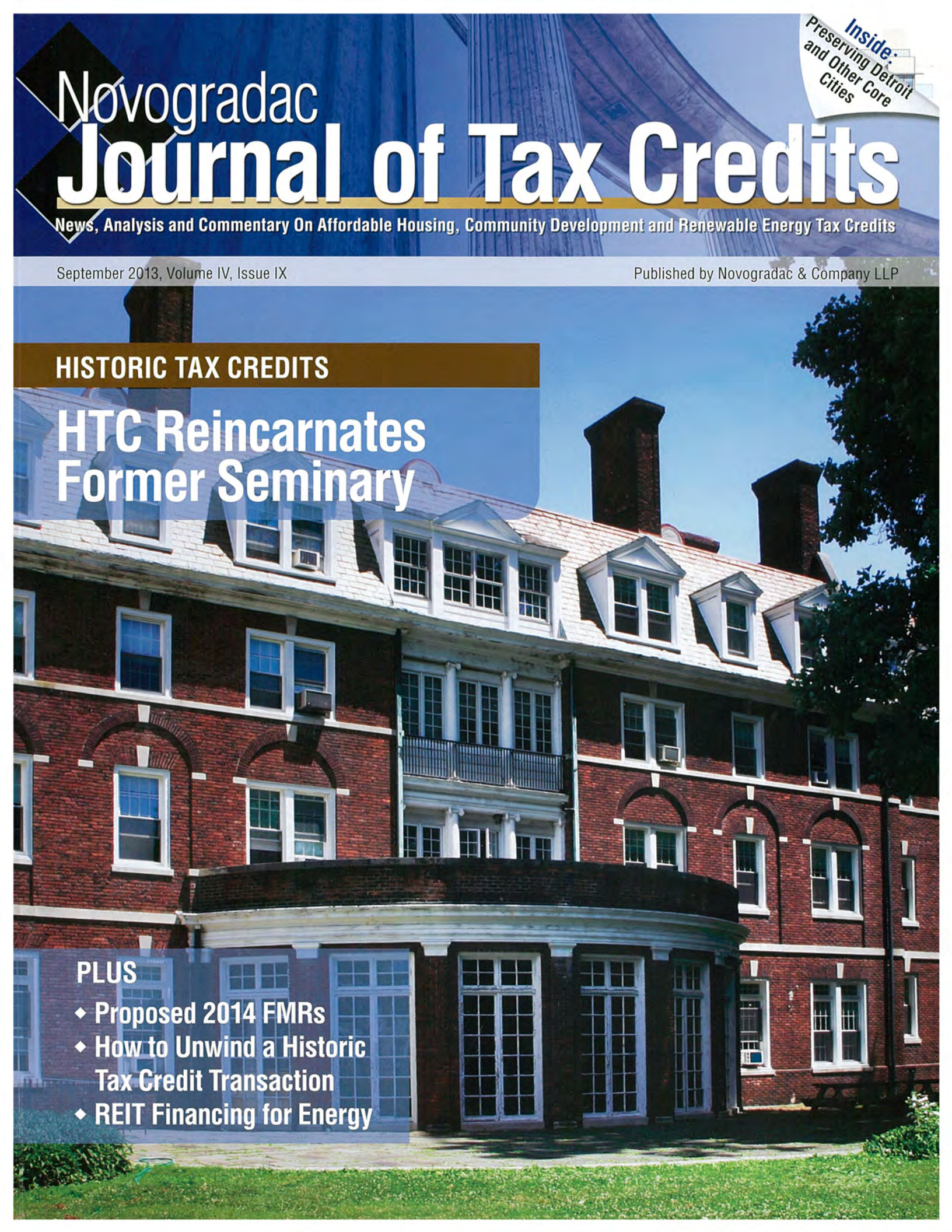
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## HISTORIC TAX CREDITS

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# Historic Apartments Will Once Again Welcome Residents

By Jennifer Dockery, Associate Editor, Novogradac & Company LLP

**P**almer Seminary has been drawing people to the Philadelphia, Pa. suburb of Lower Merion for nearly 100 years. Opened as the Green Hills Farms Hotel and Apartments in 1919, the Horace Trumbauer-designed building served as a vacation destination and residence. Twenty years later, theology students moved into the building when it became the Eastern Baptist Theological Seminary. This summer, seminary students left the campus to make way for a historic tax credit (HTC)-financed renovation and a new set of residents.

"It's a great property in a really difficult area to do development," said David Blumenfeld, president of Cross Properties, which is renovating the property.

In 2010, Cross Properties and Eastern University, which operates Palmer Seminary, entered into a sale agreement for the property. Since that time, the developer and PZS Architects have worked with Lower Merion Township, the National Park Service (NPS) and the state historic preservation office (SHPO) to develop apartments and office space on the property and preserve the property's historic character. After the NPS approved its renovation plans, the developer began the \$32.5 million renovation. In July, Cross Properties closed on HTC transaction syndicated by Duane Morris LLP. In addition to the HTC equity, Firsttrust Bank provided a construction loan to the property.

## A Historic Campus

Palmer Seminary consists of two buildings on an 8-acre site. Palmer Hall, a four-story classroom and dormitory building, dates to 1919 and the Curtis Lee Laws Memorial Chapel dates to 1951. Cross Properties is rehabbing Palmer Hall into a 112-unit apartment building and is rehabbing the 14,000-square-foot chapel into office space.

The one- and two-bedroom units in Palmer Hall will have new kitchens and bathrooms, hardwood floors, granite countertops and stainless steel appliances. Unit



Photo: Courtesy of PZS Architects LLC  
Cross Properties is renovating the Palmer Seminary into apartments.

rents will be about \$1,600 per month for a one-bedroom unit and about \$2,200 per month for a two-bedroom unit.

Architect Michael Skolnick, principal with PZS Architects, said that because the building served as a hotel and residence hall, the space lent itself to use as residential units. He was able to preserve many of the interior features, including historic trims and 47 fireplaces. Many units will also feature historic balconies.

The grounds feature trees and wide lawns, and the property is 1,000 feet from a commuter rail station. The community will have about 20,000 square feet of common space. Amenities will include a gym, meeting rooms, a refrigerator and freezer residents can use for grocery deliveries and a display kitchen for entertaining and community events. Cross Properties will also install a swimming pool on the property.

"We tried to utilize the nicest areas of the building for the communal space so that everyone could enjoy them," Skolnick said.

Palmer Hall's historic features will be preserved, *continued on page 67*

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repaired and replaced. The masonry walls will be cleaned, repointed and preserved, the slate roof will be repaired and glass doors surrounding a first-floor rotunda will be replaced.

**Developing a Plan**

Blumenfeld, Skolnick and their partners sought development approvals at the local, state and national levels. Skolnick said submitting design plans to the NPS is a challenge because it isn't always clear which features the agency will consider historically significant. In this case, the local historical commission added a layer of complexity, as they wanted to see the final details of the proposed modifications to the historic building during the land development approvals process, before NPS and SHPO had approved the developer's proposed changes. This required Cross Properties to make design decisions early in the design process to provide an accurate description of the final product.

For Palmer Seminary, two main sticking points were the excavation of land near the base of the hall and the use of the chapel. Blumenfeld originally envisioned 132 residential units on the properties. He wanted to increase interest in the lower-level units by adding walkout terraces. SHPO rejected the developer's

request to excavate ground at the front of the building to create the terraces, however, as it would change how the building is viewed. NPS asked Cross Properties to change its plans and the developer dropped its excavation request, opting instead to increase the size of the terrace level units.

Cross Properties also changed its plans for the chapel at the NPS's request. The developer originally considered putting apartments in the chapel, but the changes would have been visible through the chapel's large windows, and NPS did not approve. Rather than jeopardize the HTC's, the developer adjusted the plans. "An office function worked better because the park service didn't want us to add floors and change the volume of the space," Skolnick said.

After these design issues were addressed and Eastern University relocated, Cross Properties began renovations. Palmer Seminary will be ready for occupancy in August 2014, Blumenfeld said. He anticipates that most residents will be professionals and expects to attract employees from the adjacent Lankenau Medical Center. Blumenfeld said that the chapel will most likely house medical offices because of the adjacent medical center.❖

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