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Crowdfunding and Opportunity Zones Joining Forces in Philadelphia Project.

The project will be big: 40,000 square feet of mixed-use space with a restaurant from former “Top Chef” contestant Sylva Senat, a co-working space and business incubator, and a new home for a landscape architecture firm that specializes in green roofs. Plus, its 39 residential apartments are meant to be market-rate affordable — leased at a monthly rate that people who live in the surrounding Northwest Philadelphia neighborhood can afford without a rental subsidy.

To raise the $7.2 million necessary to build the project out, Mosaic Development Partners could have gone the simple route, says Gregory Reaves, principal and managing partner of the Philadelphia-based firm. The project, called Golaski Labs, wouldn’t have been difficult to finance, and Mosaic probably could have done it with a single investor, Reaves says. Instead, the firm has developed a complex financing structure that will take advantage of New Markets Tax Credits, a small portion of equity offered through the crowdfunding service Small Change, and capital raised through the new Opportunity Zones tax incentive created as part of the Tax Cuts and Jobs Act passed at the end of 2017.

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NEXT CITY

BY JARED BREY | NOVEMBER 5, 2018

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