

LOAN COMMITTEE MEETING
August 17, 2017

- PRESENT:** Jerry Austin, Commercial Industrial Appraisal Services; Felicia Dell, York County Board of Commissioners; Fiona Eyster, York Traditions Bank; Bill Koons, Presbyterian Senior Living; Bruce Rebert, Chairman; Mark Shea, Area Agency on Aging
- ABSENT:** Amy Hampson, HealthChoices Management Unit; Heather Kreiger, ROCK Commercial Real Estate; Jessica Mockabee, York County Human Services; Jessica VanSickle, York County Controller's Office
- STAFF:** Dory Brannon, Housing Chief; Michelle Trout, Development Specialist
- SOLICITOR:** Kurt Blake, Esquire

Call to Order

Bruce Rebert called the meeting to order at 10:05 a.m.

Approval of Minutes

Mark Shea made a motion to approve the meeting minutes for July 2017. The motion was seconded by Jerry Austin and carried unanimously.

Update on Pending Rental Development Applications

WODA Development Group: Dory Brannon reported that WODA was unable to present their request for rezoning to the Springettsbury Township Zoning Hearing Board because the required public notice for the August meeting was not issued. As a result, the request will not be heard until September. In addition, their plans and specs have changed and they are reducing the number of units to 34. Because this will change all of the underwriting figures, Dory advised WODA that they would need to submit a new application package.

Monarch Development Group: Dory Brannon reported that Monarch will not be able to obtain approval from DEP of the sewer EDU's prior to submitting their tax credit application to the Pennsylvania Housing Finance Agency (PHFA). In addition, they will not be getting the grant for tap fees, which has increased the primary mortgage, but there have been no other substantial changes. They have submitted all other required information and confirmed that they will partner with York Area Development Corp. on the project. The revised underwriting should be ready for action at the next loan committee meeting. Any commitment of HOME funds would be conditional based on sewer approval and an award of tax credits from PHFA.

Update on M'Calister Inn

Dory Brannon reported that the parts for the elevator modernization have been ordered and the project should start in October. It is expected to take 4-6 weeks. The tenant meeting to review relocation assistance is planned for later this month. The recapitalization plan is moving forward with Housing Development Corp. MidAtlantic (HDC). Claude Hicks from HDC has been coordinating with their bond council and PHFA about submitting a 4% bond deal in 2018 that will include the M'Calister Inn. Dory Brannon prepared a written outline for the council summarizing the project and listing the other funding sources that could be used for the project. Claude is awaiting advice from their bond council about whether those soft funds can be allocated solely to the M'Calister Inn, rather than being distributed among the other projects in the bond deal.

Dory advised that although HDC has agreed to manage the property, they have not yet decided whether they want to own the project. If not, they have been in discussions to partner with York Area Development Corp. (YADC). She also advised that even with successful recapitalization and rehabilitation, the project would need rental subsidies for long-term financial feasibility. Upon advice from a HUD representative, staff made a FOIA request for information about the availability of returned project-based vouchers in York County. The FOIA officer redirected the request back to HUD, so staff is working with its own HUD representative on how to respond and continue the search for available rental subsidy options. The last resort is to commit HOME funds to a Tenant Based Rental Assistance (TBRA) Program for the project, but that is not ideal because TBRA vouchers are portable.

Dory reported that there is also a commercial real estate investor who is interested in the commercial spaces, so she put him in touch with Claude at HDC to discuss a possible condominium conversion. In that scenario, he would absorb the rehabilitation costs for the commercial spaces.

Update on 219-227 Baltimore Street

Dory Brannon reported that demolition work is complete and the final demo meeting and review of the compaction test results is scheduled for Monday August 21st. Hanover Borough will transfer ownership of the property to YADC after the site is approved. She advised that there has been a change in the method of construction due to the discovery that the modular and pre-fab sizes would not work with the site. The architect will submit revised plans to the borough using stick built construction. He is confident that the revised costs will be at or below the original construction cost estimate.

Update on pending sale of Shelter properties

Dory Brannon reported that the Shelter Group paid off the Operating Deficit Mortgage for Park View at Tyler Run and the terms of all other Shelter project loan documents and agreements have been assumed by Enterprise Homes. They had a dry settlement on August 1, 2017. Enterprise has requested that the HOME affordability period for Park View at Tyler Run be extended six years in order to align with the new primary mortgage term. They offered to maintain all other terms and conditions, except to extend the County's HOME affordability period end date from January 2022 to February 2028. Dory asked that the Loan Committee take action on the request.

Fiona Eyster made a motion to approve the request from Enterprise Homes, to modify the affordability period to end February 2028, in the existing Mortgage, Promissory Note, and Agreement Imposing Restrictive Covenants for Park View at Tyler Run. The motion was seconded by Jerry Austin and carried unanimously.

Other Business

None.

Adjournment

Bruce Rebert called to adjourn the meeting at 10:45 a.m.