

LOAN COMMITTEE MEETING
August 20, 2015

- PRESENT:** Jerry Austin, Commercial Industrial Appraisal Services; Felicia Dell, York County Board of Commissioners; Fiona Eyster, York Traditions Bank; Jessica Mockabee, Human Services; Bruce Rebert, Chairman
- ABSENT:** David Cross, Rock Real Estate; Tom Hoover, County Controller's Office; Michelle Hovis, Health Choice Management; Bill Koons, Presbyterian Senior Living; Mark Shea, Agency on Aging
- STAFF:** Dory Brannon, Housing Chief; Michelle Trout, Development Specialist
- SOLICITOR:** Kurt Blake, Esquire

Call to Order

Bruce Rebert called the meeting to order at 10:00 a.m.

Approval of Minutes

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

Update on Shrewsbury Courtyards Rehabilitation

Dory Brannon reported that settlement occurred on 07/31/15. The pre-construction conference was held on 08/11/15. Materials were ordered and work is scheduled to begin by the end of the month. Bob Drawbaugh, the Rehab Specialist assigned to the project, will attend the bi-weekly construction meetings and provide progress updates.

Update on Warehouse Apartments

Dory Brannon reported that the Owner has a letter of intent from a prospective buyer, who is in their due diligence period right now. The County has agreed to accept a portion of the balance due to satisfy the mortgage. The targeted settlement date is October 1st. The vacant units are being rented and the Housing Authority has been contacted about how long it might take to reinstate the eleven (11) housing vouchers if the new owner installs new siding and wraps the windows. The Housing Authority advised that they would need to re-inspect the property before agreeing to lift the abatement.

Update on Tailored Lady – Non-Compliance Issues

Dory Brannon reported that the owner received a final default notice advising that the County would be accessing the balance in the escrow account and will release him from the program. The owner has objected, citing a clause in the escrow agreement requiring resolution through the courts if all parties are not in agreement. The owner still has not income-qualified his tenants, painted the building, repaired the alarm system, or paid the real estate taxes for 2014-2015. CGA Law will continue pursuing the default process.

PFG Proposal/Request for negotiation of forgiveness

Dory Brannon reported that she met with the Vice President of PFG Capital's housing division. He reported that they are entertaining an offer for the sale of their five (5) HOME properties. In order to secure a fair return on their investment, they have requested that the County consider forgiving 93% of the balance of the loans on these properties under the condition that the buyer would assume the affordability responsibilities. One of the properties has forgiveness of the loan already written into the agreement, but the other agreements allow for forgiveness of the accrued interest only. The properties still have quite a few years of affordability left and appear to be performing adequately. We do not have any information on the buyer or the proposed transaction, so the County does not see a reason to entertain this request. Kurt Blake advised that all such requests should include full disclosure of all the transaction agreements and financial details before consideration by the Loan Committee.

Pending Application Round

Dory Brannon reported that applications are due on 09/30/15. Although there is a lot of interest, it does not appear that many developers will be ready to submit an application this time. The PHFA tax credit rounds are so competitive, that it generally takes 2-3 cycles for a project to be funded, which doesn't work with our commitment deadlines. We expect only one application for a senior housing project in New Freedom in this round. The M'Calister Inn is still on the market, but we still have the question out to HUD about whether we could invest additional funds in that project. In light of this, Dory proposed the possibility of maintaining a rolling application cycle and/or finding and pursuing our own projects. We could use a market study to identify areas of need and develop a list of potential projects. Dory will prepare a memo for review at the next meeting outlining the studies that would be needed, how we will identify potential projects, and how we will recruit developers.

Bids for a Market Study

Dory Brannon reported that she has received a bid for performing a market study for the Hanover area and she requested a price to expand the study to include all of York County. The county-wide bid was almost twice that of the Hanover bid and would have a 7-8 week processing time. Dory is not sure that focusing strictly on Hanover right now is the best option because the interest is falling off for development in the area and certain Hanover officials have been unresponsive to the County and to potential developers. Dory feels that it would be more beneficial to the program to have the study done for the entire County. The committee agreed and Dory will solicit a few more bids before making a final decision.

Other Business:

219 Baltimore St. in Hanover: Bruce Rebert reminded the group that Hanover Borough is still very concerned about removing the blight caused by the condition of this building. The County would like to use CDBG and/or NSP funds to demolish the building and build two or three for sale houses on the site. Kurt Blake advised that even if we can acquire the property from the repository list, we will still need to commence an acquired title lawsuit before we could proceed with demolition. Dory will coordinate a meeting with the Redevelopment Authority, the York Area Development Corp. and the attorneys involved and then prepare a written plan of action for the Loan Committee to review at the next meeting.

Thank You Letter from Presbyterian Senior Living:

Dory Brannon shared a copy of a letter from Presbyterian Senior Living to thank the Loan Committee and County staff for the efforts put into securing the rehabilitation loan for Shrewsbury Courtyards.

Adjournment

Fiona Eyster made a motion to adjourn the meeting at 11:00 a.m. The motion was seconded by Felicia Dell and carried unanimously.