

LOAN COMMITTEE MEETING
October 15, 2015

- PRESENT:** Jerry Austin, Commercial Industrial Appraisal Services; Fiona Eyster, York Traditions Bank; Tom Hoover, County Controller's Office; Bill Koons, Presbyterian Senior Living; Bruce Rebert, Chairman; Mark Shea, Agency on Aging
- ABSENT:** David Cross, Rock Real Estate; Felicia Dell, York County Board of Commissioners; Michelle Hovis, Health Choice Management; Jessica Mockabee, Human Services;
- 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 August. The motion was seconded by Fiona Eyster and carried unanimously.

Update on Shrewsbury Courtyards Rehabilitation

Dory Brannon handed out some progress photos and reported that the interior work is complete in the apartments. Each unit has a new stove, hot water heater and heat pump, as well as new GFI outlets, vinyl flooring, vanity top and toilet. The Rehab Specialist, Bob Drawbaugh has completed his 100% unit inspection and is satisfied with all the replacements. The new fitness center is almost complete. The exterior wooden cross bucks were replaced with a maintenance free composite material that looks very nice. The roofing, paving and landscaping should all be completed by the end of the month.

Update on Warehouse Apartments

Dory Brannon reported that the project was sold to ShoreGate of Hanover, LLC on September 29, 2015. The County received a partial payment of the HOME mortgage balance and the rest was forgiven. There are no further HOME Program restrictions, but the new owner has been working with PHFA to continue low income housing tax credit (LIHTC) affordability, and has set aside funds for the exterior repairs needed to restore the Section 8 voucher payments that were abated by the Housing Authority.

Update on Tailored Lady – Non-Compliance Issues

Dory Brannon reported that the owner opposes the County taking the funds from the escrow account, but CGA Law has advised him that we will proceed as permitted under the terms of the mortgage and escrow agreement.

PFG Proposal/Request for Forgiveness

Dory Brannon reported that there has been no new contact from PFG since we informed their Controller that the County will not entertain any forgiveness negotiations until we receive the financial details of each proposed transaction. There was a brief discussion about the initial request for total forgiveness and the current physical condition and financial status of the PFG-owned properties. Overall, occupancy and management is stable. There are no serious concerns.

Current Application Round and Proposed Revision to Funding Process

Dory Brannon distributed an outline for review and reported that we have announced three funding rounds in the past two years. Of the four previous applications, only one (Shrewsbury Courtyards) was a viable project. In this last round, although there appeared to be a great deal of interest, only one application was received on 09/30/15. Unfortunately, the application could not be underwritten because there was no site control and the application package was incomplete.

Dory explained that recent changes in the HOME regulations include stricter deadlines for committing and spending funds. This is making it difficult to coordinate with the PHFA tax credit funding rounds. The PHFA rounds are so competitive that it generally takes 2-3 annual cycles for a project to be funded, which exceeds our HOME program deadlines. There was a discussion about the possibility of reaching out to PHFA and other Pennsylvania participating jurisdictions for ideas on how to better coordinate the timing of the funding rounds.

Dory proposed the possibility of maintaining a continuously open funding round to give us greater flexibility and improve our chances of being able to partner in a project where the timing works. At the same time, we could start a process to identify our own projects using a housing market study, census data, our affordable housing list and mapping system. We would also work directly with the newly-appointed blighted property commission and individual municipalities. These resources will identify areas of need and if we can complete 1 or 2 smaller projects per year, it will have a greater impact on the County than reserving our funds for larger projects that may or may not coordinate with other funding sources. We would like to use the development of 219 Baltimore St. in Hanover as a footprint to develop an outline for this new funding process.

Fiona Eyster made a motion to approve the concept of the proposed open funding application process. The motion was seconded by Tom Hoover and carried unanimously.

Bids for a Market Study

Dory Brannon reported that this was put on hold until after we saw the results of our last application round, but we now have three bid sources for a county-wide housing market study: Heather Kreider of Rock Commercial Realty, Zimmerman Folk, who completed the Lancaster County study, and Real Property Research, who has already submitted a bid. Dory will present more details upon receipt of the other two bids.

Other Business:

Dory Brannon advised that 219 Baltimore Street in Hanover would be the first project under our revised funding process. It has been identified as a blighted property, we have the support of the municipality, have identified a CHDO certified developer, and we have a housing plan and available funding through the CDBG, NSP and HOME programs.

Kurt Blake reviewed the background of the property, the tax sale process and the complications caused by the death of the original owners of the condo association. He advised that he is looking into starting a quiet title lawsuit and has attempted to contact the executor of the estate, but there has been no response to date. In the meantime, Dory has coordinated a meeting for the end November with Hanover officials, the York County Redevelopment Authority, York Area Development Corp., and their respective attorneys to discuss the challenges and possible solutions so we can proceed with the demolition and redevelopment of this property.

Adjournment

Fiona Eyster made a motion to adjourn the meeting at 10:50 a.m. The motion was seconded by Mark Shea and carried unanimously.