

LOAN COMMITTEE MEETING
October 20, 2016

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

Call to Order

Fiona Eyster called the meeting to order at 10:00 a.m.

Approval of Minutes

Mark Shea made a motion to approve the meeting minutes for July 2016. The motion was seconded by Bill Koons and carried unanimously.

Presentation by Mission First Housing Group

Mr. Alfredo de la Peña, introduced himself as the Chief Executive Officer for Mission First Housing Group and Mr. Mark Deitcher as the Director of Business Development. They distributed a handout and began their presentation.

Mr. de la Peña reviewed the history of Mission First Housing Group, a non-profit organization founded in 1988 with a mission to provide affordable, safe and sustainable homes for people in need, with emphasis on the vulnerable. They provide supportive services to their residents and partner with other local agencies to provide any necessary clinical services. He reported that they currently have over 3,000 units in PA, DE, NJ, MD, DC and VA and advised that they are very interested in obtaining the PFG and TCB portfolios in York and Lancaster Counties. He assured the committee that they have never sold any of their properties and they are committed to holding their entire affordable housing portfolio into perpetuity.

Mr. Deitcher reviewed Mission First's experience in the development and management of affordable housing. He highlighted several existing projects and a few that are currently under development. He reported that they've had great success in finding and obtaining numerous federal, state and local funding sources, including programs geared toward preservation, rehabilitation and energy efficiency.

Mr. Deitcher outlined the properties in the TCB and PFG portfolio and reviewed the proposed acquisition, financing and rehabilitation plan.

Mr. de la Peña explained that they are still in negotiations with both sellers, but they were hoping to gain some understanding into the level of interest and the expectations of the County in the meantime. They inquired about the availability of possible gap funding from the County and assured the loan committee that they are perfectly willing to assume the existing soft debt and affordability restrictions attached to the PFG portfolio.

Dory Brannon explained that the County has historically required a 30-year affordability period for most of its projects. Unfortunately, HUD does not allow investment of new HOME funds into existing HOME projects that are still in their affordability period. The County has been unsuccessful in its attempts to obtain HUD permission to amend the HOME agreements to reduce the affordability period. Therefore, the County would be limited in its ability to reinvest in the rehabilitation of several of the projects, but there are funds available for others. She explained that the County has an open application process and the application package is found on the www.YCPC.org web site.

After a discussion about other possible gap funding sources, Mr. de la Peña and Mr. Deitcher thanked the loan committee for their time and exited the meeting.

Update on proposed sale of Shelter properties

Dory Brannon reported that we have not received official notice, but one of the regional managers shared by e-mail to Michelle Trout that the Shelter properties are now under contract. This includes three in the County portfolio: Park View at Tyler Run, Park View at Manchester Heights and York Commons. Michelle advised Shelter to get the details to the County as soon as possible because we will need time to review the buyer and the proposed transaction. The Shelter representative confirmed that formal notification to the County and other lenders is on their due diligence timeline, so we should hear something very soon.

Update on 219 Baltimore Street

Dory Brannon reported that things are moving forward, but a problem with the ownership of the common areas was discovered when the engineer tried to record the final subdivision plan with the assessment office. The lot itself is still held in the previous owner's names because the common areas were not part of the tax sale. Kurt Blake is going to speak with the attorneys for Hanover Borough and York Area Development Corp. (YADC) right away and will reach out to the owners and their heirs to get the matter resolved.

Update on M'Calister Inn

Dory Brannon reported that Bob Drawbaugh, the County's Rehabilitation Specialist is assisting the YMCA with the review of bids and selection of the structural engineer to oversee the elevator repair project. She advised that NSP and CDBG funds will be used to replace the mechanicals of the elevator and the security system.

Bill Koons asked whether the YMCA is planning to retain ownership of the property after the repairs are made. Dory replied "yes" for now, but the possibility of the Housing Authority pursuing ownership is still open. She advised that she attended the last Housing Authority board meeting to review details with the new director and the board.

The Director is preparing a pro-forma to present at the November board meeting. Dory discovered a mortgage shown on the financial statements was actually an old AHP grant that was forgiven years ago, so the property has no hard debt. This will make it more attractive to prospective buyers. The County holds a deferred payment loan that could be assumed through the remainder of the affordability period. In addition, the YMCA still owes the County for a loan to develop two sites on Kings Mill Road that never moved forward. The County is preparing to send a formal request for the unused funds to be returned. In any case, the proceeds from the sale of any of these properties would be required to be used to satisfy the County debts.

The Housing Authority is very interested and even has some project-based vouchers that could be used to strengthen the financial viability of the project. They will likely be looking to make an application and presentation to the Loan Committee within the next few months.

Other Business:

- Dory Brannon thanked Fiona Eyster for agreeing to chair the meeting in Bruce Rebert's absence. She announced that the loan committee needs a co-chair going forward, and that position is chosen by the voting members per the operating guidelines. This will be discussed further at the November meeting.
- Dory and Michelle gave a brief summary of the current staffing and compliance status of the PFG portfolio.

Adjournment

Bill Koons made a motion to adjourn the meeting at 11:15 a.m. The motion was seconded by Mark Shea and carried unanimously.