

LOAN COMMITTEE MEETING
March 15, 2018

PRESENT: Jerry Austin, Commercial Industrial Appraisal Services; Amy Hampson, HealthChoices Management Unit; Bill Koons, Presbyterian Senior Living; Heather Kreiger, ROCK Commercial Real Estate; Jessica Mockabee, York County Human Services; Bruce Rebert, Chairman; Mark Shea, Area Agency on Aging; Jessica VanSickle, York County Controller's Office

ABSENT: Fiona Eyster, York Traditions Bank; Felicia Dell, York County Board of Commissioners; Wade Gobrecht, York County Planning Commission

STAFF: Dory Brannon, Housing Chief; Michelle Trout, Development Specialist

SOLICITOR: Jeffrey L. Rehmeier II, 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 February 2018. The motion was seconded by Mark Shea and carried unanimously.

Update on 219-227 Baltimore Street

Dory Brannon reported that all required legal and construction documents have been received from York Area Development Corp. (YADC), and the first construction meeting was held at the site on March 13, 2018. Bob Drawbaugh, Rehabilitation Specialist took some photos of the staked out site and a slide show was presented. Dory reviewed the revised construction budget and timeline and the minor changes were discussed. Dory advised that the new home sales are expected to start mid-summer and the County may provide forgivable soft-second mortgages to income-qualified households that need additional homebuyer subsidy.

Dory advised that the relocation issue with the former tenant of 227 Baltimore Street is being resolved. She is now getting permanent relocation assistance. She found a home to purchase and applied for down payment and closing cost assistance through the York Homebuyer Assistance Program (YHAP).

There was a brief discussion about the fact that the County needs a reliable Community Housing Development Organization (CHDO) to partner with in order to expend the County's annual CHDO set-asides. Dory advised that YADC is currently the only certified CHDO in York County. However, the Housing Authority is taking steps to pursue its CHDO certification, so we may have another CHDO to partner with on future developments.

Update on M'Calister Inn

Dory Brannon and Jessica Mockabee reported that there are twelve (12) remaining tenants at M'Calister Inn, but six (6) households have a moving plan in place. Case Managers from the Area Agency on Aging and Bell Socialization are working with the last six (6) tenants to help them find alternate housing. Two (2) tenants are still resistant to help. All remaining tenants were given a final notice to leave the building by March 31st. A Landlord Tenant action will be filed for possession of the apartments that are not vacated by April 2, 2018.

Dory reviewed the balance of the Pennsylvania Housing Finance Agency (PHFA) grant funds. To date, the County has paid out approximately \$20,000. The funds were used to cover operating costs for the building and to pay security deposits and moving expenses for the residents. Any balance remaining from the grant when the building closes will be returned to PHFA.

Dory reported that she has had several conversations with Blanda Nace from the Redevelopment Authority about the building. He approached their board and asked them to take the property off the tax roll and consider holding it for future redevelopment. They are trying to assess what the holding costs might be and plan to tour the building in April. A commercial tenant, T Mobile, currently pays monthly rent and a quarterly electric fee to the M'Calister Inn for their rooftop towers. They are meeting with the electric company later this month to see if the towers can be separately metered after the building closes. Bruce Rebert reminded the committee that there is a sump pump in the basement of the building that will also require electricity after the building closes to avoid potential flooding. Jessica reported that donations were still being made to the thrift store on the fifth floor. Dory will speak with the Owner to ensure that donations stop and the space is cleared out by the end of the month.

Dory reported that the Owner has received a great deal of interest from potential investors, but they are not fully aware of the deteriorating condition of the building systems or the liens and deed restrictions held against the property, so there have been no serious talks with private investors at this point. Dory advised that PHFA has agreed to release the tax credit restrictions at the appropriate time. Dory was also recently informed that the Main St. Hanover project has submitted an application on behalf of the Redevelopment Authority for a grant through the Commonwealth's Redevelopment Assistance Capital Program (RACP). More details will be provided at the next meeting.

Other Business

- Michelle Trout reported on the status of the York Homebuyer Assistance Program (YHAP) under the new administrator, the Lancaster Housing Opportunity Partnership, through its York Housing Opportunity Center. Although they have been doing outreach to local realtors, lenders and community organizations, there have only been three (3) YHAP loans provided since August 2017. There are other first time homebuyer assistance programs available from PHFA and other federal grant programs that are less restrictive than the HOME Program, so that may be one reason for the decline in YHAP applications. The committee requested a report for the next meeting, to show the cost of administration versus the amount of homebuyer subsidies provided so far this contract year. If the YHAP program is unsuccessful by the end of the contract, the County has the option to cancel the program and use the funds for other community development or rental assistance programs.
- The committee discussed other potential development sites to replace the lost units of affordable housing in Hanover and requested an updated presentation from Wade Gobrecht on potential development sites. Dory advised that the tax repository list will not be updated until after the next judicial sale in the spring. Wade will then be able to map out potential sites from the new list.
- Bill Koons advised that the Pennsylvania Housing Finance Agency would announce its 2018 funding awards next week. They will have an "intent to submit" round in the next few months for 2019. Bill suggested that the County advise its pending development applicants to enter their intent to submit for 2019 if they are not funded this round.
- Dory reported that PFG Capital is preparing to refinance Gateway Apartments and Shelly School Apartments in West York. They intend to request that the County agree to subordinate to the new mortgages. They plan to pull 80% of the equity to rehabilitate the properties. Dory requested a copy of the updated appraisals, proposed financing terms and the rehabilitation plan for each property. PFG did not have the information readily available.

The loan committee instructed County staff to inform PFG that they will need to provide sufficient financial information and detailed rehabilitation plans for staff and loan committee review before their request will be made an agenda item for a future meeting.

Adjournment

The meeting was adjourned by consensus at 11:00 a.m.