



Redevelopment Authority of Lehigh County
September 7, 2023 Meeting

The meeting of the Redevelopment Authority of Lehigh County was held at 9:00 a.m. in the Lehigh County Government Center, Executive Conference Room #439. A recording of this meeting is available at <https://www.lehighcounty.org/Departments/Community-Economic-Development/Lehigh-County-Redevelopment-Authority>.

ATTENDING

Board Members: Oscar Ghasab (OG), Ricky Gower (RG), David Weinstein (DW), Michael Yeager (MY).

Also attending representing the Authority, Chris Gulotta (CG) and Kent Herman (KH)

County Staff: Virginia Haas (VH), Frank Kane (FK), Cyndi King (CK)

Steve Althouse, WFMZ TV

ABSENT

Steve Neratko (SN)

AGENDA ITEMS

CALL TO ORDER at 9:08 a.m. by MY

PUBLIC COMMENT ON AGENDA ITEMS – None

Review and Approval of Minutes of August 3, 2023 Meeting

No questions or concerns; motion for approval made by DW; second by RG. Minutes approved.

Financial Report and Approval of Bills

CG reported on two invoices for payment on today's agenda (Tab B). Submitted invoices were a King Spry invoice for \$289 and The Gulotta Group invoice for \$2761.98 for period ending August 31. Protocol to have RALC invoices paid is CG sending invoices to OG and MG along with details on the invoicing. MY and OG noted they were satisfied with this protocol followed by CG. Both invoices were given board approval to be paid. CG noted that his workload had been heavier than usual with about 15-20 hours of work on the Keystone Communities grant application which included his coordination with the three communities.

MY asked CG whether the RALC was prepared to do a financial report. OG sent the general ledger to Jeff Weiss, our accountant on 9/6/2023. CG just received the bank statement with interest on the account. There will be a forthcoming financial statement for the month ending August 31. MY clarified his understanding that the County had funded the checking account since the last meeting and that bills were paid; CG agreed.

OLD BUSINESS – See Executive Director’s Report (Tab C) of 9-7-23 Agenda

STATUS REPORTS - See Tab C

IRONWORKS PROJECT

The appraisal was received and RALC’s team had a discussion on 9/5/2023 with the Borough of Catasauqua team regarding the Memorandum of Understanding (MOU). The MOU will be discussed during the Executive Session. CG reported that substantial progress was made at the 9/5/2023 meeting with the Borough team.

MULTI-MUNICIPAL STATE GRANT “Blight-To-Bright”

CG filed the state grant on August 30, 2023 which included \$192,000 for demotion and \$228,000 for rehabilitation activities. CG let the communities decide how they wanted to use the funds; CG did not say they had to spend a certain amount on demolition. CG likes the rehabilitation activity for this reason: if owner-occupied blighted properties get really bad, the municipalities don’t have a choice but to declare the properties unfit for human habitation which causes displacement of the owner. Basically, this program will allow the municipalities to have a discussion with the owner and say, “We have a pot of money for you to repair the house.” It would be structured as a non-amortizing ‘due on sale’ loan; when they sell the house, the money must be paid back. CG feels this is a great initiative because the communities are frustrated with the situation [as it currently stands] if there is a senior citizen or someone with disabilities living on the property. The demolition activity would encompass demolishing vacant properties which have been deemed dangerous structures or unsafe structures. There is a process in the International Property Maintenance Code (which municipalities use to enforce property maintenance codes) which allows them basically, after the owners have been given multiple opportunities to do repairs and all else fails, to go in and demolish the property when it is vacant and then put a lien against the property. CG indicated to the communities that when the monies come back (through the lien proceeds when the house is sold by the current owner) to recycle that money into future blight remediation activities. The same would be true for demolition when the lien proceeds come back. In essence what is really being done is building a pool of current and future funds for these three communities to address this issue. There will be \$502,500 in matching funds including \$150,000 in CDBG funds from Lehigh County; North Whitehall and Whitehall each pledged \$150,000 cash over three-years; and Catasauqua pledged \$52,250. All of these funds will be matched dollar-for-dollar if the state grant is approved which will create a pot of money available to any of these three communities with \$97,500 not allocated to a particular pot in the state grant. CG is expecting to receive the state’s decision on the grant application by December 31. If any board member is interested in seeing the

completed application, CG will oblige as it is saved to a thumb drive. On 9/6/23, CG sent email correspondence to the state's elected delegation (state senators, state representatives) requesting they send letters of support to Rick Siger, Secretary, Pennsylvania Department of Community & Economic Development (PADCED). CG went on to say that if the application is approved, RALC will have a model that can be replicated in other communities in Lehigh County. At some point, CG envisions expanding this initiative to other communities since the blighted problem does exist in other communities.

MY asked whether CG has been contacted by any other communities since information about the initiative is spreading. CG believes that if the application is approved, conversations at borough council or township council meetings will ensue and those municipalities, at that time, will reach out to become involved. CG welcomes contact from municipalities other than the three which are currently participating in the Blight-To-Bright initiative. Discussion ensued. CG suggested, if the County continues to offer the services which The Gulotta Group provided to the three participating municipalities which included no-cost technical assistance engagement, he would review municipal ordinances and make some suggestions on properties which does two things: gives the municipality information that will help them remediate the problem and it would provide CG with background on the blight problem in that municipality. Municipal participation in this no-cost technical assistance phase is the first step into [being included in] the [next] grant application. A few months ago, CG had discussions with the regional director of PADCED to make certain this was something that could be funded. CG reiterated that this is a model which he already rolled-out ten-years ago in Northumberland County and then again in Schuylkill County in 2016.

MY asked if the grant application occurred at the same time every year; CG replied that it was not necessarily any firm date year-to-year.

CG returned to the amounts of funds applied for with \$45,000 for RALC administration and \$5,000 for a project audit in addition to \$30,000 for professional services because, in CG's experience, there might be instances in demolition where engineering and technical specifications may be warranted.

KH questioned whether the funding source for the initiative was primarily federal; CG clarified it was state funds other than the County's CDBG with the balance of the funding being local money which [the three] communities put in from their general funds and \$500,000 is state money. KH wondered if support from Lehigh Valley Planning Commission (LVPC) would be helpful. CG agreed; CG and SN will get together to discuss how the RALC and LVPC might collaborate. MY asked if there is an obligation to use prevailing wage if the project is funded by state money; CG replied that PA prevailing wages are required for construction and demolition contracts equal to or in excess of \$25,000. He explained that the rehabilitation will not be a whole-house rehab and since the problem is addressing code enforcement issues, the vast majority of rehabs will probably be under \$25,000. CG noted that demolition is currently running higher than \$25,000.

FK took a moment to recognize the exceedingly great grant opportunity which CG applied for in that the grant reimburses for administrative costs which offsets the County's initial start-up funding of the RALC.

LEGISLATIVE UPDATE

CG included material from the Housing Alliance of Pennsylvania (see Agenda) because as much as the Pennsylvania Boroughs Association or Pennsylvania Association of Townships, Commissioners and Supervisors, the Housing Alliance, as part of their mission, took on blight and blight remediation because, in many instances, blighted properties can be converted into affordable housing. CG discussed some of the legislation. SB802 (which was referred to in the August meeting by Mark Rabo) has a "patient payback" wherein funds are coming back to the redevelopment authority as properties are being developed. HB1207 deals with land banks. CG noted there are 38 land banks in Pennsylvania. In 2018, legislation was enacted that allows governments to designate a redevelopment authority as a land bank. Land banks, with the cooperation of the tax claim bureaus, allow the county governments to be the priority bidder at judicial sales (after the upset sale) and delinquent sales. Land banks are able to negotiate liens particularly when the property is worth less than the lien. FK asked what the process would be for the RALC if it decided it wanted to become the land bank for Lehigh County. CG acknowledged that the Board of Commissioners would authorize it and it would require resolution. CG will provide material.

MY asked for any further questions on the Executive Director report. There being none the meeting continued.

RESOLUTIONS – None

EXECUTIVE SESSION – On Purchase of Real Estate

Following the Executive Session, KH reported that the most updated draft of the Borough of Catasauqua's Memo of Understanding (MOU) has been provided to the RALC Board following the 9/5/2023 meeting with the Borough's team. It is anticipated that the Borough Manager intends to submit the MOU to Borough Council for consideration later this month. Any revisions to the MOU would need to be reviewed by KH and CG. MY called for a motion to proceed with the MOU relative to the project in Catasauqua. RG made the motion; seconded by OG. There being no further questions, comments, or concerns, unanimous voice vote in favor to proceed. CG will notify the Borough of the action taken today. CG understands the Borough's next meeting is 9/18/2023 and he plans to attend to answer questions. MY instructed that the RALC should be contacted by email if there is anything further of which they need to be made aware.

NEW OR OTHER BUSINESS

LEGISLATIVE UPDATE - took place during the status reports.

STRATEGIC PLANNING - MISSION STATEMENT

CG distributed a four-question survey: 1) Why does the RALC exist? 2) Who does the RALC serve? 3) How does the RALC serve? 4) What impact does the RALC have? Discussion ensued. Based upon the board's responses, CG intends to prepare a RALC mission statement for the October 5 meeting.

COMMENTS OR ANNOUNCEMENTS

FK would like to invite Ron Beitler, the Development Planning Committee Commissioner, to one of the RALC meetings for him to see that the money given for the RALC has been well spent; the Board agreed.

PUBLIC COMMENT ON NON-AGENDA ITEMS - None

Next regular meeting is October 5, 2023, at 9:00 a.m. via Zoom. MY asked for further questions or comments. There being none, DW made the motion to adjourn seconded by KH. Unanimous voice approval. Meeting adjourned.

Respectfully submitted,
Cynthia L. King