

Redevelopment Authority of Lehigh County
Regular Meeting
Agenda
August 3, 2023
9AM Zoom Call

- 1. Call to Order (Chairman Yeager)**
- 2. Roll Call (Cyndi King)**
- 3. Public Comment on Agenda Items (Five-minute limit)**
- 4. Recognition of Public Attendance and Guests**
- 5. Reading and Approval of the July 6, 2023 Minutes ACTION REQUESTED (Tab A)**
- 6. Financial Report and Approval of Bills ACTION REQUESTED (Tab B)**
- 7. Old Business**
- 8. Status Reports (Chris Gulotta)**
 - **Executive Director Report (Tab C)**
 - **Ironworks Project**
 - **ACTION REQUESTED: Appoint of two Board Members, Executive Director and Solicitor to MOU Negotiating Committee**
 - **Proposed Multi-Municipal State Grant to Address Blighted Properties**
 - **ACTION REQUESTED: Adoption of Resolution Authorizing Submission of Keystone Communities Application (Tab D)**
- 9. Resolutions**
- 10. New or Other Business**
 - **Request for Loan Forgiveness RE East Penn Place Associates (Tab E)**
- 11. Comments or Announcements**
- 12. Public Comment on Non- Agenda Items (Five (5) minute limit)**
- 13. Adjournment**

TAB A

MINUTES

JULY 6, 2023 MEETING



Redevelopment Authority of Lehigh County
July 6, 2023 Meeting

The meeting of the Lehigh County Redevelopment Authority was held at 9:00 a.m. by Zoom video conference. 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), Steven Neratko (SN), David Weinstein (DW), Michael Yeager (MY).

Representing the Authority: Chris Gulotta (CG) and Kent Herman (KH)

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

Borough of Catasauqua Representatives: Howard Cunningham, V.P. Borough Council & Chair of Ironworks Subcommittee

Jason Addy, LehighValleyNews.com
Steve Althouse, WFMZ

AGENDA ITEMS

CALL TO ORDER at 9:02 a.m. by MY

PUBLIC COMMENT ON AGENDA ITEMS – None

Review and Approval of Minutes of June 1, 2023 Meeting

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

Financial Report and Approval of Bills – occurred after status report on insurance coverages

CG reported waiting for the funding from the County which will be forthcoming once the accounts are opened. He expects to provide a financial report for the next meeting. With regard to three bills, one is for The Gulotta Group services in May & June for \$3,709.77; one is for Kings Spry May billing for Attorney Herman for \$1,249.00; and the Public Officials Management Liability insurance premium \$2,745. CG stated that his suggestion is to add the premium for the crime insurance which is \$685/year. Questions or comments. MY asked for a motion to be made to pay these bills once the checking account is opened and monies are received from the County. OG made motion, seconded by RG. Unanimous approval. CG finished by saying that as a matter of protocol, he is sharing the detailed bills with MY (CHAIR) and OG (TREASURER) so both men saw CG's timesheet which substantiated his invoice to the RDA; they also saw the timesheet that Attorney Kent Herman generated. These items are not being provided to each of the board members; however, the Chairman and Treasurer are seeing those detailed billings along with timesheets. MY added, "To date, I have worked closely with Chris in the initiation of this Authority. I have been overly impressed with the transparency that has gone on between both of us moving forward and I want to assure the Board that hopefully it will continue moving forward."

OLD BUSINESS - None

STATUS REPORTS

IRONWORKS PROJECT

CG understands that the Borough of Catasauqua has awarded a contract for an updated appraisal and that it will be made available possibly by the end of July. This appraisal will provide the fair-market value for the property which will be needed to issue the Requests for Proposals which is a substantial step ahead. Howard Cunningham did not have anything further to add.

PROPOSED MULTI-MUNICIPAL STATE GRANT TO ADDRESS BLIGHTED PROPERTIES

This is a natural outcome of Lehigh County's effort to address blighted properties that began in 2017. CG was hired at that time to prepare a comprehensive blight strategy that looked at the nature and extent of blight in Lehigh County communities but then also looked at strategies for addressing blighted properties and that has since morphed into a technical assistance program that the County has

provided, at no cost, to communities where CG basically looks at their ordinances, looks at the nature and extent of their blighted property problem, and suggests strategies for dealing with those issues. The three communities that have worked closely with him are Whitehall, North Whitehall, and Catasauqua Borough. CG indicated last month that one of the common denominators in his discussions with the three communities is the need for additional financial resources to address blighted properties which could mean additional money to demolish those properties or additional monies to repair those properties; another [topic] discussed was whether money could be accessed as part of a grant to assist people who live in their houses (occupied properties), people on fixed incomes whom we could be assisting with some grant funds to fix-up the property. CG met with those municipalities on June 29 and there was interest in pursuing this. CG sent them a draft commitment letter and asked them to return it to him in the next 3-4 weeks. Basically, the commitment letter states that the municipality is interested in participating in this grant to the extent that they match the funds, either cash or in-kind, that they receive through this grant which could be up to \$500,000 so in effect they could double their money to deal with these blighted properties. The other provisions in the commitment letter concern an acknowledgement that the municipality would have some responsibilities for the expenditure of the funds consistent with state guidelines. His understanding is that there is a lot of interest in this. CG addressed "how does the [RDA] get paid for this?" CG shared a project summary that [the RDA] would receive 10 percent of the grant amount and the only funds that would pay the RDA would be the state grant funds through the Pennsylvania Department of Community and Economic Development (PADCED). The municipalities would not be paying any portion of our administrative costs; the state would pay that to compensate [the RDA] for the administration of the grant and the writing of the grant application. This model that CG put out in Lehigh County is a model that he successfully used in his consulting business in both Schuylkill County and Northumberland County. The state is very interested in a multi-municipal approach on this blight issue. The [grant] application would be due at the end of August; CG is asking for more time on the next RDA meeting to go over a resolution assuming the municipalities respond to CG and indicate that they are, in fact, interested. The resolution would authorize the submission of the PADCED grant application to the state. CG had a discussion with the regional director of PADCED who indicated that she felt it was a strong project, a logical progression, coming on the heels of what was started in 2017. No guarantees about funding just a positive note. VH noted that the County is supportive of the project and the application and is also looking for ways to add funds to the match. CG has ideas on how to accomplish this; he understands it is hard for the County to put up funding because, while it is not necessarily there now, it will be available 6-

12 months from now when the grant application gets approved. The challenge is making sure funds are available to be used for a period of 3-years after the grant application gets approved because it is a 3-year contract with the state.

UPDATE ON INSURANCE COVERAGES

Jim O'Hara, President, Allentown Office, USI Insurance Services, LLC which company did provide two quotations, one for Public Officials Management Liability and Employment Practices Liability insurance through Greenwich Insurance and the other a two-option quote for crime insurance through Travelers Insurance gave an overview of these coverages. Proposed premium for the Greenwich Insurance coverage is \$2745/year. Second insurance premium of \$403/year is for \$100,000 of crime insurance or \$1209 for 3-year term. Another proposal for \$1,000,000 crime insurance policy, also from Travelers, was also obtained for \$685/year and \$2,055 for a three-year term. Binding requirements were pointed out along with coverages for the management liability contract. Questions for Jim O'Hara: DW asked whether retention is deductible and it is. CG asked to what extent is a third-party independent contractor who has been hired by the RDA as the Executive Director covered by the proposed public officials insurance? Coverage is included as a named insurer for the management liability policy by endorsement and it was also negotiated with Travelers to issue an endorsement to include independent contractors on the crime policy so there would be coverage [for that individual] both ways. CG asked, since USI will be submitting a proposal for a fidelity bond which is required for the treasurer in the by-laws, whether there is any overlap between coverage with the crime coverage. There could be an overlap. However, according to the by-laws, the treasurer is required to carry \$100,000 (question as to whether it is statutorily carried in the County or in PA) but if it is a requirement then you have to have that bond. The only overlap would be additional coverage which would be whatever the bond is written at (\$100,000) and then the crime insurance policy would be secondary to that bond. So, unless that particular requirement is removed from the by-laws, the RDA will have to have that bond. Discussion on the suggested coverages ensued. DW offered that the small difference between the lesser and greater premiums for \$1,000,000 coverage makes sense. CG added that a condition for coverage by the underwriter was for a 2024 budget which draft he did forward to them. The 2024 budget is substantially different than the 2023 budget in that the county appropriation is not nearly as much but he is beginning to budget fee income from projects and also reimbursable project expenses. No questions or comments. MY asked for a motion for the policies to be written for both the Public Officials Management Liability and Employment Practices Liability insurance and the crime insurance with a move to the million-dollar coverage limit on the crime insurance. DW made the motion to accept; seconded by RG. Unanimous acceptance. Mr.

O'Hara acknowledged and included that the company did receive a proposal for the \$100,000 treasurer's fidelity bond which premium is \$236/year. CG will sign the Authorization to Bind on behalf of the RDA.

RESOLUTIONS – None

**NEW OR OTHER BUSINESS
RFP FOR BANKING SERVICES**

The proposals submitted from Truist Bank and Embassy Bank have been provided to the Board along with CG's review of the completeness of those proposals and how they measured up in terms of the criterion in the Request for Proposal. A request was sent to a third bank but they were unable to timely respond. Discussion on the completeness review and criterion ensued; MY noted his opinion that both banks adequately answered the questions asked of them and it came down to convenience of CG. MY asked the Board for insight into which bank to be chosen. OG made a motion to make Embassy Bank the banking [establishment used by the RDA]; SN seconded. Unanimously approved. CG will obtain signature cards from Embassy so that the RDA can begin writing checks.

COMMENTS OR ANNOUNCEMENTS

CG suggested for the Board's consideration to meet in-person perhaps 3-times per year further suggesting a September in-person meeting. MY agreed but suggested 2-times rather than 3 per year. RG and OG agreed.

PUBLIC COMMENT ON NON-AGENDA ITEMS – None

**EXECUTIVE SESSION ON PURCHASE OF REAL ESTATE – No
action taken.**

Next regular meeting is August 3, 2023, at 9:00 a.m. via Zoom. MY asked for a motion to adjourn; SN made that motion; seconded by OG. No questions or concerns. Unanimously approved.

Respectfully submitted,
Cynthia L. King

TAB B

BILLS FOR PAYMENT

King Spry	\$629.00
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The Gulotta Group	<u>\$2,120.92</u>
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Total	\$2,749.92
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TAB C

EXECUTIVE DIRECTOR'S REPORT

REDEVELOPMENT AUTHORITY OF LEHIGH COUNTY

EXECUTIVE DIRECTOR REPORT

AUGUST 2023

Iron Works Project

I appeared before Borough Council on July 17th to discuss the multi-municipal state grant (see below) and was asked to provide an update on Iron Works. I indicated that we were taking time on the structure of the agreement because it would become the template for other agreements RALC would enter into with municipalities on similar projects. The Chairman and I have discussed having RALC appoint no more than two board members (plus the Executive Director and Solicitor) to a negotiation committee that would meet in person with representatives of the Borough (presumably appointed members of Council, the Borough Manager and Borough Solicitor) to reach agreement on the MOU. This meeting would be scheduled after the appraisal commissioned by the Borough is received and reviewed.

Blight to Bright State Grant

Discussions have continued with the three municipalities that will be included in the grant application (Catasauqua, North Whitehall and Whitehall). I have received a commitment from Whitehall Township to provide a \$150,000 match over three years. This will mean that they will receive an equal amount of the state funds for demolition or repair activities in conjunction with blighted properties. I will be attending the North Whitehall Supervisors' meeting on August 7 to answer questions and I expect they will make a match commitment at that time. The Borough of Catasauqua has preliminarily indicated a willingness to provide \$52,500 in matching funds over three years but I have not received a commitment letter from them to that effect. After discussions with the County Department of Community and Economic Development, I submitted a request for \$150,000 in CDBG funds that will also be used to match the state grant. The CDBG funds will be used for demolition activities only.

A Resolution authorizing the submission of the application to the PA Department of Community and Economic Development has been provided to the Board under Tab D. The application is due August 31st. RALC would be the applicant for the funding and will enter into subrecipient agreements with the municipalities if the grant is approved. The subrecipient agreement will indicate that RALC will provide a specified dollar figure to the municipality. In return the municipality will agree to provide a dollar-for-dollar match and abide with all conditions in the grant agreement between RALC and the Commonwealth. We should hear from the state on our grant application by December 31st.

Miscellaneous

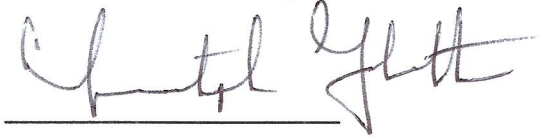
We hope to receive a quote on the fidelity bond for the Treasurer in the near future.

Bank accounts have been opened at Embassy Bank and checks have been received; we expect to pay outstanding bills as soon as the funds are deposited by the County into the Authority's account.

I would like the Board to consider an in-person meeting for the September (September 7th) or October (October 5th) meetings. At the July meeting, we had discussed holding an in-person meeting at some point in the future.

At that in-person meeting I would like to start a discussion about strategic objectives for the Authority going forward so we have consensus about our mission and overarching goals as we move ahead.

Respectfully Submitted,

A handwritten signature in dark ink, appearing to read "Christopher Gulotta", written over a horizontal line.

Christopher Gulotta

TAB D

RESOLUTION AUTHORIZING SUBMISSION OF \$500,000 APPLICATION TO PA
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

RESOLUTION

Resolution of the Redevelopment Authority of Lehigh County (RALC) authorizing the filing of an application for Keystone Communities Program funding with the PA Department of Community and Economic Development (DCED)

WHEREAS, the County of Lehigh has recently reactivated the RALC to spearhead efforts to address the problem of blighted properties in Lehigh County and,

WHEREAS, RALC has reached out to three communities in the County about participating in a multi-municipal project to remediate blighted properties and,

WHEREAS, the municipalities of Catasauqua Borough, North Whitehall Township and Whitehall Township have collectively pledged \$352,500 in local funds to match the funding to be provided by the Commonwealth and,

Whereas, the County of Lehigh has pledged an additional \$150,000 in CDBG funds toward the local match.

NOW THEREFORE IT IS RESOLVED by HANC:

1. The Executive Director of RALC is authorized to file an application with the PA Department of Community and Economic Development for \$500,000 in funding under the Keystone Communities Program to remediate blighted properties in Catasauqua Borough, North Whitehall Township and Whitehall Township.
2. The Chairman and Secretary of RALC are authorized to execute all grant documents.
3. The application for funding, if approved will be used to rehabilitate and/or demolish blighted properties in the specified municipalities.
4. RALC will enter into a sub-recipient agreement with each of the three municipalities which will require that the municipalities provide local matching funds, abide with all terms and conditions of the grant agreement with the Commonwealth, and expend the funds in a timely manner.
5. RALC will guarantee the availability of the local matching funds and shall reimburse the Commonwealth for any ineligible expenditures.

BE IT FURTHER RESOLVED, that the Secretary of RALC is directed to execute a certificate attesting to the adoption of this resolution and to furnish a copy to the PA Department of Community and Economic Development.

Adopted this 3rd day of August, 2023

ATTEST:

REDEVELOPMENT AUTHORITY OF LEHIGH COUNTY

BY _____

SECRETARY

Tab E

Request for CDBG Loan Forgiveness

East Penn Place Associates LIHTC Housing Development (Emmaus)

See attached information from Valley Housing Development Corporation



RE: East Penn Place

1 message

Ellen Larmer <ellen@lcha-vhdc.org>

Fri, Jul 28, 2023 at 12:08 PM

To: Christopher Gulotta <gulottagroup@gmail.com>, Kent Herman <khh@kingspry.com>

Hi Chris,

VHDC requests forgiveness of a loan made by LCRDA to East Penn Place Associates in 1995 for \$150,000. Like the Mill II and Coopersburg School projects, the \$150,000 was from Lehigh County CDBG funds. Subsequently the grant funds were turned into a loan to have them included in the eligible basis for LIHTC application. I've attached a short explanation, the mortgage note, mortgage, and documents verifying these were initially CDBG grant funds. VHDC is refinancing, and will therefore be extending affordability restrictions for at least twenty more years. Thanks for considering this. Let me know if you have questions.

Ellen Larmer

Housing Development Officer

Lehigh County Housing Authority

Valley Housing Development Corporation

635 Broad Street

Emmaus, PA 18049

T: 610.965.4514, ext. 209 | F: 610.965.9820

East Penn Place's Lehigh County Redevelopment Authority Loan

East Penn Place is a Pennsylvania limited partnership that provides 87 units of affordable housing in Emmaus. The project consists of two midrise buildings located on a 2.17-acre parcel in a park-like setting at 633 and 643 Broad Street. All units are one-bedroom and restricted to senior tenants earning 50% or 60% of the AMI, or less. The project operates as an age-restricted LIHTC apartment community.

In 1994, when East Penn Place was being developed, VHDC requested \$150,000 of HUD Community Development Block Grant (CDBG) funds for unit construction. The County of Lehigh awarded these funds - \$75,000 from 1995 and \$75,000 from 1996 programs. Attached is an award letter from 1994, and a CDBG report showing these grant funds for East Penn Place. Similar to other VHDC projects, LCRDA provided grant funds of \$150,000 with the expectation that the project would continue to provide affordable housing for residents of Lehigh County. With the precedent set by Coopersburg School and Mill II projects, the assurance of providing continued affordable units at East Penn Place through a restrictive covenant with PHFA, and considering these CDBG funds were always intended to be granted and not loaned, VHDC (the general partner for East Penn Place), requests the Lehigh County Redevelopment funds of \$150,000 and all accrued interest on this East Penn Place loan be forgiven.

RECENT MEDIA COVERAGE

COUNTRY JUST SOUTH OF THE UNITED STATES ON THE ISLAND OF Hispaniola.

For the siblings — both students at South Mountain Middle School — the move has made for a relatively smooth transition because their classmates have been so welcoming.

The biggest challenges they've faced are adapting to the United States' sometimes cold weather and learning English, they told The Morning Call with the help of a translator.

"Most of the time their parents only speak Spanish, so they're not developing the language that they learn throughout the school year," Maria Figueroa, parent liaison at South Mountain, said of English-language learners like the Colon siblings.

"It's very important to continue that growth and that development," she added.

A new summer camp at South Mountain is doing just that. The Fine Feather Excelsior Summer Camp

Oriana Bastidas, 12, a South Mountain Middle School student, strikes the notes on a glockenspiel.

is making sure students like Rachel and Yariel don't lose the English skills they've gained throughout the school year, all while encouraging them to celebrate their Hispanic roots, too.

About 35 students are participating in the camp, a six-week media and arts pilot program geared toward English-language learners. They all are South Mountain students or Dodd Elementary students who will transition to the middle school next year. About half of the campers are bilingual or native Spanish speakers learning English.

Turn to **Camp**, Page 2

INSIDE



Hamlin returns to Victory Lane at Pocono Raceway

A sold-out Pocono Raceway crowd saw Denny Hamlin return to Victory Lane on Sunday — a year after his first-place finish was thrown out — giving him a track-record seven wins and 50 overall in his Cup career.

Sports 1

Lehigh RDA plans to help 3 communities address blight

State grant would deliver up to \$500K

By **Graysen Golter**
The Morning Call

The newly reformed Lehigh County Redevelopment Authority wants to help three municipalities clean up blighted properties.

The RDA is applying for a state grant from the Pennsylvania Department of

Community and Economic Development that would allow it to award up to \$500,000 to Whitehall Township, North Whitehall Township and Catasauqua.

The money, according to RDA administrator Chris Gulotta, would provide financial resources to demolish or repair blighted properties, both residential and commercial.

"This is another project, another example, of how

redevelopment authorities can work effectively with municipalities, with the objective of helping them meet a locally identified need, which is to effectively address blighted properties," he said.

The three municipalities would match the grant's funds, whether through providing cash or bearing costs such as demolition

Turn to **Properties**, Page 3

announcement would be forthcoming. Reibman said there is an agreement of sale but that the confidentiality agreement prevents him from disclosing the buyer.

"I have been advised not to say anything," Reibman said, adding closing on the 12.5-acre property could come this fall.

Turn to **Site**, Page 3

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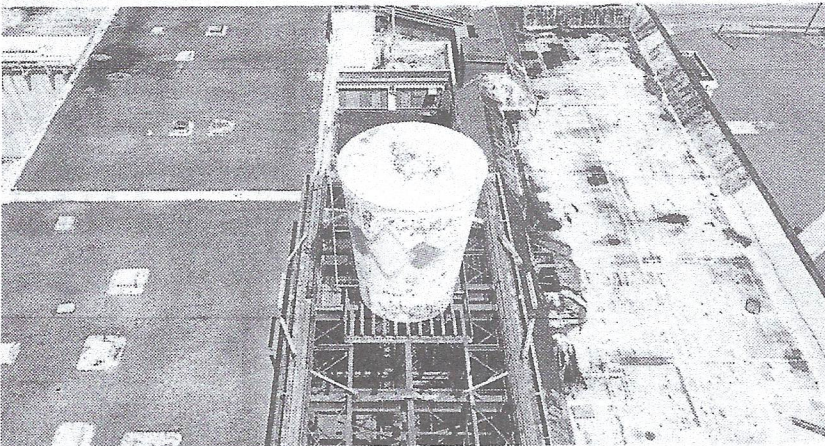
IRIES



REBECCA VILLAGRACIA/THE MORNING CALL

ArtsWalk Pocket Park

is during the Rock the Walk concert series on Thursday at the ArtsWalk Pocket



Cup manufacturing plant in Wilson was in use from 1921 until the 1980s. The 600,000-sq-ft complex has been vacant since 2011. **RICH ROLEN/SPECIAL TO THE MORNING CALL**

ark Ltd. acquired up about 40 years around the time its owners moved to Forks Town-

Wilson property, opened in the 1920s to manufacture Dixie prod-

ucts, has sat unused for manufacturing in the four decades since; Reibman has rented space to other businesses. Still, much of the industrial campus has been vacant, a shell overlooking South 25th and Butler streets, with a large, rusted

Dixie cup atop the building complex that overlooks the neighborhood and is visible to motorists on Route 22.

Morning Call reporter Anthony Salamone can be reached at asalamone@mcall.com.

Properties

from Page 1

and landfill fees.

Blighted properties affect communities in many ways, Gulotta said. They can require additional costs for code enforcement and fire safety, increase risk of criminal activity such as arson, and cause nearby property values to decline.

If the grant money is approved and used effectively, the county could go back to the state for more money to help additional municipalities, he said.

"It is important work," Gulotta said.

Before it can apply — the grant application is due to the state Aug. 31 — the RDA still needs formal letters of intent from all three municipalities confirming they are on board before submitting. Whitehall Township has already signed on; North Whitehall is expected to discuss the grant next month. Catasauqua Council has yet to vote.

Gulotta said he hopes the grant submission will be authorized at the next RDA meeting, on Aug. 3.

During its July 10 meeting, the Whitehall Township Board of Commissioners unanimously committed to the project.

"There's so many things that could happen from this that would be positive for Whitehall," Lee Rackus, the planning, zoning and development bureau chief, said during a presentation for the grant.

Rackus also recommended the township commit \$50,000 for each of the next three years.

Before the meeting, board President Joseph Marx said the money would hopefully allow local homeowners to stay in their formerly blighted homes. He also said one blighted commercial prop-

erty he'd like to eventually address is the Lehigh Valley Dairy, a 10-acre property at 1026 MacArthur Road that had been abandoned for decades and is now privately owned.

"It's needed to be addressed for a long, long time, and hopefully this will be the spark to help get it addressed," he said.

The North Whitehall Board of Supervisors will discuss participating in the grant during its meeting Aug. 7.

Township Manager Randy Cope said there were about a dozen blighted properties throughout the township, with the choice to use rehabilitation or demolition to come on a case-by-case basis.

"I see this as another tool in the toolbox, and any time there's a grant opportunity available, it's certainly something we would like to explore," Cope said.

He explained that the most common causes for properties to become blighted include a lack of maintenance and difficulty getting a hold of owners of abandoned properties.

"We don't want kids going into an unsafe structure, thinking it's abandoned, and all of a sudden something happens, so we're trying to clean up any unsafe structures throughout the township," Cope said.

Catasauqua Borough Council heard from Gulotta on July 17.

While the council didn't take action regarding the grant, Borough Manager Glenn Eckhart said he budgeted \$15,000 in 2024, \$17,500 in 2025 and \$20,000 in 2026.

The Redevelopment Authority is also working with Catasauqua to move forward on the Iron Works redevelopment in a separate project.

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THE MORNING CALL

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