



Redevelopment Authority of Lehigh County
August 3, 2023 Meeting

The meeting of the Redevelopment Authority of Lehigh County 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), 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)

Mark Rabo, Luzerne County Redevelopment Authority
Steve Althouse, WFMZ TV

ABSENT

Steve Neratko (SN)

AGENDA ITEMS

CALL TO ORDER at 9:00 a.m. by MY

PUBLIC COMMENT ON AGENDA ITEMS – None

Review and Approval of Minutes of July 6, 2023 Meeting

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

Financial Report and Approval of Bills

CG reported on two invoices for payment (Tab B) of today's agenda along with a late addition invoice received this morning. Submitted invoices were a King Spry invoice for period ending June 30; and The Gulotta Group invoice for period ending July 31. Prior to today's meeting, MY and OG reviewed the details sent by CG; they are comfortable recommending these two invoices be paid. Also, an invoice for \$236 from USI Insurance Services for the treasurer's fidelity bond was received. As per the by-laws, this bond is a requirement. CG

asked for this invoice to be paid along with the other two invoices. No comments or concerns on all these invoices. Motion made by for payment of these three invoices by RG and seconded by DW. Voice vote was unanimous.

OLD BUSINESS

CG expressed his intention to provide the Board with a written Executive Director's Report (Tab C) to reduce the reporting time during the meetings. No questions or comments from the group.

STATUS REPORTS - See Tab C of 8-3-23 Agenda

IRONWORKS PROJECT

MY added that as the LCRA prepares to finalize the agreement with Catasauqua, it is still awaiting the property appraisal. MY believes the Board spoke very clearly as to the direction that it intends to take relative to the negotiations. Catasauqua requested that a smaller group of individuals convene to negotiate. CG and KH will participate. MY looks to appoint two members of the Board to also be on that negotiating committee which may meet in-person or by Zoom meetings; DW (daytime meetings, only) and OG volunteered.

MULTI-MUNICIPAL STATE GRANT "Blight-To-Bright"

FK asked whether it is permissible for a municipality to utilize CDBG funding as their local match for funding. CG used CDBG funding in Northumberland County for this purpose and assured everyone that it is permissible.

USI INSURANCE SERVICES Fidelity Bond

Invoice was received and acted upon by the Board this morning.

EMBASSY BANK

Account is open and funds from the County of Lehigh will be deposited by the end of this week or early next week.

RESOLUTIONS –See Tab D of 8-3-23 Agenda

CG added that this resolution will allow the LCRA to maximize the funding awarded by the state. Going back to 2017, Lehigh County has been engaging municipalities on the issue of blighted properties. These three municipalities took advantage of the technical assistance program funded by the County wherein CG met and provided each with strategies for addressing blighted properties and looked at their ordinances. It was this proactive response in wanting technical assistance that caused CG to include them in this state grant. CG hopes this is the beginning of many state grants that could include other municipalities, at some point, to increase the pool of funds to address blighted properties in Lehigh County. No questions or comments. DW made a motion to adopt this resolution, seconded by RG. Unanimous voice vote.

NO ADDITIONAL RESOLUTIONS

NEW OR OTHER BUSINESS

REQUEST FOR LOAN FORGIVENESS REGARDING EAST PENN PLACE ASSOCIATES - See Tab E of the 8-3-23 Agenda

CG explained the request from Valley Housing Development Corporation (VHDC) to forgive the 1995 \$150,000 loan to East Penn Place Associates. CG explained that the debt remaining on the 25-year loan would be converted to a grant to maintain the affordability of the low-income housing which was the same forgiveness situation addressed by the Board in May concerning the Mill II, Fountain Hill property. CG recommends proceeding in the same manner with this most recent request. MY and DW are familiar with these types of agreements through the Lehigh County Housing Authority (LCHA). MY asked KH if there were any negative ramifications or impact on the Board with regard to this waiver. KH reminded MY that official action will be needed authorizing MY to authorize a satisfaction of the mortgage. This is part of a long-term strategy on the part of VHDC, to which KH is also counsel; VHDC is an affiliate of LCHA although a separate entity with no “cross Board membership”, and it was created to develop properties utilizing the low-income housing tax credit. So, [this request] is a result of the maturing of these developments and a strategy to preserve the developments as affordable housing as opposed to putting the developments in situations where there are incentives to convert them to market-rate units. [This development] consists of two buildings on Broad Street in Emmaus - and a lovely area – a successful property which has aged and needs some capital repairs and there is a planning process for doing that. Ellen Larmer (VHDC) has received proposals for refinancing the first mortgage and the current structure of the project is that there is a first mortgage loan [referred to as] “hard debt” owed to Fulton Bank and a subsidiary of Fulton Bank is also the limited partner investor. Steps to preserve the asset will include paying off the Fulton mortgage and negotiating and receiving a transfer of the limited partnership interest of Valley Housing. The strategy from that point is to determine the best steps to preserve the units for affordable housing. What has happened in the past is that some of the developments have remained with Valley Housing; some properties are transferred to the LCHA. The objective is to stabilize the financing, pay-off Fulton Bank debt, and to satisfy the \$150,000 mortgage. No questions or comments from the Board. MY is asking for a two-part motion, first part being for the Board to forgive the outstanding loan to East Penn Place; and the second part of the motion is for MY (CHAIR) to sign off on it. DW made the two-part motion; seconded by RG. Unanimous voice vote approval. VH said that the County supports this project, too.

COMMENTS OR ANNOUNCEMENTS

CG suggested one of the upcoming meetings to be in-person. MY reviewed the next two meeting dates being September and October. MY established that the time for the in-person meeting would remain the same as other meetings. FK offered a County conference room. One preference for a meeting in September was voiced with no objections from the rest of the Board.

It was determined that the County will make all the arrangements for the September 7 in-person meeting. The change in meeting will be advertised.

PUBLIC COMMENT ON NON-AGENDA ITEMS

Mark Rabo is attending the meeting in solidarity between redevelopment authorities (RA) operating across the state. Mr. Rabo talked about the state's redevelopment laws being outdated so he is reaching out to state legislators and fellow county RAs to rally support with legislators to inform them of the best ways for RAs to adapt to the current situations within the housing markets. Rabo said Luzerne County has a lot of commercial properties being developed without much housing to follow-up [that expansion]. Rabo believes that a RA should have a leadership role in trying to facilitate new housing development in conjunction with the currently occurring commercial development. Switching his focus to blighted properties, Rabo talked about PA House Bill 1347 allowing for RA start-up loan programs. Rabo inferred that LCRA might send a letter of support of this bill to the legislators. Rabo talked about legislation concerning upset sales and fees from those sales to fund demolition costs similar to recorder of deeds fees [charged in counties]. Rabo pointed out that vacant and blighted properties throughout various municipalities which have been languishing are being converted into rooming houses which do not have the proper code and safety inspections and compliances ensuring the safety of the tenants inhabiting those properties. He gave the example of vacant churches and hospitals in Hazelton, PA. Lastly, Mr. Rabo would like to see created more housing to be put on the market before people become desperate and [reside in] hazardous situations such as a vacant building which has not been inspected being rented out as rooming or boarding houses. MY asked CG to formulate and put together an action plan to present to the Board prior to the September meeting. CG reported that he spoke with the prime sponsor of Bill 1347, Bucks County State Representative Joe Hogan about this legislation. CG proposes a [brief] update at the upcoming in-person meeting on various pieces of legislation which may be of interest to the Board in terms of RA interest in housing. CG plans a strategic planning session at the next meeting to ensure, moving forward, there is consensus within the Board on mission.

EXECUTIVE SESSION - None

Next regular meeting is September 7, 2023, at 9:00 a.m. in the Executive Conference Room #439. MY asked for questions or concerns. CG asked RG to attest the resolution of the submission of the grant application and scan it to CG; [all grant applications] are uploaded electronically. RG agreed. MY asked for a motion to adjourn; DW made that motion; seconded by OG. Unanimously approved.

Respectfully submitted,
Cynthia L. King