

## REDEVELOPMENT AUTHORITY OF THE CITY OF LANCASTER

### **Board of Directors Meeting – June 18, 2019**

The members of the Board of the Redevelopment Authority of the City of Lancaster met on June 18, 2019, at 5:15 p.m. in the Commission Room, City Hall Annex Building, 120 North Duke Street, Lancaster, Pennsylvania.

**PRESENT:** Jason Wynne, Christian Levan, Carl Feldman, and Carlos Gonzalez (by phone).

**STAFF:** Frank Mincarelli, Randy Patterson, Marisol Torres, and Carolyn Faggart.

**GUESTS:** Tom Smithgall, Larry Cohen, Susan Blecher, Matt Crème, Dan Jurman, Ray D'Agostino, John Swanson, Paul Costello, Paul Costello, Jr., Scott Gray, Traci Flynn, Luis Torres, James Ballantyne, Rizwan Khan, Islam Hassan, Stephen Bonuso, David Stull, Matt Beakes, Ada Rivera, Dave Garpstas, Jean Weglarz, Barbara Brock, Ryan Davis, and Tim Stuhldreher.

Acting Chairperson Wynne called the meeting to order and asked for approval of the minutes of May 21, 2019. Mr. Feldman made a motion to approve the minutes of the May 21 meeting. Mr. Levan seconded the motion. He asked for any comments. Hearing none, Mr. Wynne called for the vote, and all were in favor.

Mr. Wynne noted that the Treasurer's Report was emailed to the Board then asked for questions or corrections. Hearing none, Mr. Feldman then made a motion to approve the Treasurer's Report as presented. Mr. Levan seconded the motion. Mr. Wynne called for a roll-call vote, and all were in favor.

Mr. Wynne went on to the Staff Report. Ms. Faggart said we have Act 2 for two properties and Act 1 for four. There are three extension requests, one rehab agreement, and two proposals to purchase today. Mr. Feldman made a motion to take Act 2 on 511 Church Street and 520 South Lime Street, then Act 1 on 1002 Ayres Court 650 Columbia Avenue, 135 Nevin Street, and 212-1/2 North Shippen Street. Mr. Levan seconded the motion. Mr. Wynne asked for comments; hearing none, he called for the vote, and all were in favor.

Mr. Wynne skipped the next item and moved on to Purchase and Sale Agreement between Redevelopment Authority and Lancaster Equity, Inc. for the Purchase of the Farmers Southern Market, 100 South Queen Street. Randy Patterson came forward with Dan Jurman and John Swanson. Mr. Patterson said he was here last year presenting a proposal from Lancaster Equity for purchase of the Southern Market. While it has taken us a little bit longer than anticipated, we finally have an agreement. The first part before the Board is the Purchase and Sale Agreement with Lancaster Equity which has been reviewed by Mr. Mincarelli and City legal counsel as well. The City transferred this property to the Redevelopment Authority to do a

Request for Proposals and to handle the transaction of the sale. The first step is approving the final sales agreement with Lancaster Equity for the purchase price of \$800,000 which will be paid over a three-year period, \$300,000 at closing, \$200,000 the following year, and \$300,000 in 2021. Mr. Mincarelli had a resolution which summarized what Mr. Patterson went over. If adopted, Resolution 19-6-30 would approve the sale to Lancaster Equity, authorize signature of the purchase and sale agreement by two Authority Board members. Mr. Wynne asked for any questions on this resolution. Mr. Feldman asked what the Willow Valley stake in the project is. Mr. Patterson said that would be explained later in the Developer Agreement but Willow Valley will become a Master Lessee of the building, then sublease the space back to Lancaster Equity, including the proposal that Lancaster Equity had in their original RFP to the City. Those uses will continue in the property but Willow Valley will become the Master Lessee on a 29 year lease, and Willow Valley will provide the capital behind the project as well as the renovation work. They are not a party to the purchase and sale of the building. Mr. Wynne asked for a motion. Mr. Levan then made a motion to approve Resolution 19-6-30, and Mr. Gonzalez seconded the motion. Mr. Wynne called for the vote, and all were in favor. Mr. Stuhldreher asked when closing is anticipated. Mr. Patterson said there's a 45-day due diligence period permitted in the sales agreement with an expectation of closing in 90 days.

Mr. Mincarelli had a second Resolution 19-6-31, which authorizes the execution of a Master Developer Agreement with Lancaster Equity, Inc. which includes a Master Lease with Willow Valley Communities as the Lessee for the Redevelopment of the Farmers Southern Market Building. Mr. Patterson said the second part of the transaction is the Master Development Agreement with the Redevelopment Authority that will include the Purchase and Sale Agreement because there are conditions in here that are covered within the Developer Agreement. It will also include a copy of the Memorandum of Understanding between Lancaster Equity and Willow Valley which outlines Willow Valley's commitment for purchasing the property and paying the \$800,000. It outlines the lease agreement, the sublease back to Lancaster Equity, an agreement to lease space to ASSETS, if ASSETS chooses to lease that space, and then it would include the food court, a commercial kitchen, a food education center, event space and other spaces to be used by Willow Valley. The condition of use is that both Willow Valley and Lancaster Equity must agree to other uses within the building by Willow Valley, and if there is a disagreement, then the City acts as the arbitrator of those approved uses so we have some control over the continued use of the building in terms of its prominence to the community. Everything in the Developer Agreement covers what's in Lancaster Equity's proposal. John Swanson is here from Willow Valley if the Board has questions for him and Dan Jurman of Lancaster Equity. Mr. Feldman had a question on Willow Valley as the Master Lessee. Mr. Swanson said we would have a Master Lease on the entire building and would sublease part of it to Lancaster Equity for their use and sublease to ASSETS, if they choose to stay in Southern Market. Mr. Feldman asked about the financial arrangements. Mr. Swanson said they would start with the purchase price and prepaid rent under the Master Lease. The renovation work would fall under their responsibility. There will be some components of the finish work that will be Lancaster Equity's responsibility as well. From the City's perspective on the condition of the property, Mr. Patterson said having Willow Valley able to provide capital for the improvements from Lancaster Equity's proposal will be taken out of a five-year period doing certain types of improvements, so we will have an opportunity to secure the building and

our investment. Mr. Feldman asked when they plan to close and begin to make those improvements. Mr. Swanson said that needs to be determined since they need to finalize the design before starting construction. Mr. Wynne asked for a timeline. Mr. Swanson said they don't have a current estimate at this point since that will depend on the extent of the work. Mr. Patterson said the Master Lease has not yet been completed, just the Developer Agreement and the MOU. Mr. Wynne asked for further questions. Hearing none, he asked for a motion. Mr. Levan then made a motion to approve Resolution 19-6-31, seconded by Mr. Feldman. Mr. Wynne called for the vote, and all were in favor. He then asked for public comments. Ryan Davis raised his hand and said he knows Willow Valley operates as a non-profit and asked if this will be part of that non-profit entity. Mr. Patterson said this will be a taxable property because it's being leased. Lancaster Equity is the owner, not Willow Valley. They will be a tenant in the building. The only way it would retain its tax-exempt status is if Lancaster Equity's non-profit entity would use the entire building. So, it would become a taxable property.

Mr. Wynne moved on to the Marriott Hotel Addition Update. Tom Smithgall came forward and said he was from High Associates, representing Penn Square Partners. He was here a few months ago and said some of those have changed. The original project was a 110-room addition to the Lancaster Marriott, and they are working on four projects now. They are renovating the hotel rooms and will have all rooms in the existing hotel completed by the end of September and will have a new 110-room hotel adjacent to it. They started at the top and are doing three floors at a time. They are renovating one restaurant and adding another restaurant and bar, one on the twelfth floor called the Exchange, and one on the first floor called the Plow. Once Plow opens, we will renovate the lobby restaurant and bar which will go back to its original space and the lobby will be renovated at that time. Mr. Smithgall said they are converting the kiosk area next to the front desk into a coffee shop. Those are the project scopes and we are on budget with all those projects. The rooms are open for occupancy now and he said they are hitting that market nicely with conventions in town. The M Club (Marriott Rewards Club) is finished and is on the first floor of the new addition. A few minor items need to be completed. It's been certified by Marriott and should open by July 1. On this same date we expect to see the tentative opening for the Exchange on the twelfth floor. We will be going through the final kitchen inspections which are in progress now, fire and life safety checks this week. He hoped to see a CO for the twelfth floor by the end of the week. They need to go through a series of training with staff over the next few weeks and look to see an opening by July 1. The completion of the Plow restaurant, the private dining room, the outside dining area, and the breakfast room, all on the first floor in the existing building, and the new building should be completed right after the 4<sup>th</sup> of July. Planning on that will be subject to completion of training but he was hoping for mid-July. Mr. Smithgall said you may have noticed that the Jersey walls have come down on the street, part of the construction fencing has come down and the remainder will be removed after sidewalk and paver work has been completed at the front of the building along King Street. Mr. Smithgall asked for questions from the Board. Mr. Feldman noted that \$500,000 was set aside for interior work and asked if that's where the renovations came from. Mr. Smithgall said the renovations actually came from a different source. He then thanked the Board for their time.

Mr. Wynne moved on to Approve Purchase and Sale Agreement between Redevelopment Authority and Lancaster Parking Authority in addition to the \$3M Note between the Redevelopment Authority and the City of Lancaster for the Queen Street Garage, 417 North Market Street. Mr. Patterson returned with Larry Cohen and Matt Crème for this item. Mr. Crème introduced himself and said he was the solicitor for the Parking Authority. Mr. Mincarelli presented Resolution 19-6-32 approving and authorizing the sale of the North Queen Street Parking Garage to the Lancaster Parking Authority. He also had the Purchase Agreement Term Sheet which Mr. Crème has prepared, Mr. Mincarelli has reviewed, which they revised slightly, and is now in executable form. He asked the Board to consider adoption of the Resolution. Mr. Wynne asked for questions from the Board and noted the Resolution was emailed to the Board earlier. There were no questions. Therefore, Mr. Levan made a motion to approve Resolution 19-6-32, and Mr. Feldman seconded the motion. Mr. Wynne called for the vote, and all were in favor. Mr. Wynne asked for questions from the public. Mr. Mincarelli noted that in the Resolution there was authorization to enter into this agreement with the City since the City provided \$3M for construction of the parking garage which the Lancaster Parking Authority now assumes responsibility for repaying and this agreement acknowledges that, and the City is the other party to this agreement, so it will have to be presented to the City and City Council. At this point with the Resolution authorizing us to sign it, we can execute it on behalf of the Redevelopment Authority today. While the Resolution and other documents being signed, Mr. Crème said the members of the Authority updated the terms of the Purchase Term Agreement with today's date and specified a settlement date before June 30. Messrs. Crème and Cohen thanked the Authority for completing this transaction. Mr. Levan had to leave the meeting at this time.

Mr. Wynne moved on to the Request for Extensions and started with 140 Old Dorwart Street. Paul Costello and Paul Costello, Jr. came forward. When asked why he needed an extension, Mr. Costello said he ran into complications with the structure and a few other items. He asked for a sixty-day extension. Mr. Wynne asked if all his inspections with UGI and PPL were good. Mr. Costello said yes. Mr. Wynne asked when the property was acquired. Mr. Mincarelli said the completion date was June 30 so he still had two weeks on it. Mr. Wynne asked for a motion. Mr. Feldman made a motion to extend the rehab for 140 Old Dorwart Street for sixty days, and Mr. Gonzalez seconded the motion. Mr. Wynne called for the vote, and all were in favor.

Mr. Wynne went on to 563 South Lime Street. Ms. Faggart said Pedro Lopez is not here today but he will be here next month. Mr. Wynne noted the next one was 120 Filbert Street. Scott Gray and Traci Flynn came forward. When Mr. Wynne asked why an extension was needed, Mr. Gray said he was extremely busy with other projects in the city and they are taking the property further than what they originally intended. He is repointing the entire outside of the building which isn't scheduled until late August. He is stripping the windows on the exterior, the interior has been gutted, they added a bath, all new electric, plumbing, heating and central air, and they are doing all the work themselves so it is taking longer than anticipated. Mr. Wynne asked if this will be owner occupied. Mr. Gray said they bought this property as a two-unit, so they will keep it as a rental. He also said there is an 1,800 square foot main house and a 400 square foot accessory building on the property. He replaced the roof and cleaned out the building but no rehab has started on that one yet. Mr. Gray felt that once the pointing is done on the

main building, that one will be complete. He hoped to acquire the CO on that building, then start work on the other one. After further discussion, Mr. Wynne proposed a motion to grant an extension for 120 Filbert Street for six months, with a three-month progress report in September. Mr. Feldman then made a motion to grant a six-month extension with a three-month progress report for 120 Filbert Street. Mr. Gonzalez seconded the motion. Mr. Wynne called for the vote, and all were in favor.

The last property was 519-521 Locust Street and Luis Torres came forward representing Arbor Place. He brought along pictures of what was done so far and said the former homes on the lot were demoed and they now have open space. Mr. Feldman asked if that was the intent of the project. Mr. Torres said that was the first phase and they are now raising funds for the next part. They have held meetings including with children in the neighborhood to determine what sports they would like to use the open space for. Mr. Torres said 519 and 521 were dilapidated properties that were visible from their offices. They saw detrimental activity at the properties that the kids did not need to be near. When the properties were acquired by eminent domain by the Authority, he was able to raise funds through the Mix at Arbor Place to acquire them. It then took Arbor Place some time to raise funds to demo the properties and clean up the site. Grass has been planted and the first activity is scheduled this week as part of their summer camp. It will get its first use this week and into the new school year. If it evolves and becomes something else, it will take some time to raise funds for that. Mr. Wynne thought this was a progress report but Mr. Mincarelli said the extension expired on May 21. He looked at the Agreement Arbor Place made with the Authority and said they initially had a sport court. Ms. Torres said the original intent was to purchase the properties, demolish them, have green space, and raise money to complete the court. Mr. Feldman asked about their engagement with the Board if they have completed almost everything. Ms. Torres said we will keep it on the record for a progress report because when we accepted the proposal, we expected the sport facility to be completed. Mr. Mincarelli said the proposal called for improvements to be put on the site, and Mr. Torres concurred. Mr. Mincarelli said improvements were part of the proposal, and that's why deadlines were set. Demolition of the buildings wasn't the end of the project as far as the Board was concerned. Mr. Torres said they initially talked about tennis courts. That was two years ago and kid's interest has changed, so they want to be sure they put something in there that kids will use. Mr. Wynne thought the original contained three phases. In terms of the phase he is currently in, how far are they. Mr. Torres said the grass is growing but it's not completely grown in yet, they installed temporary fencing. They want to install an ADA ramp because they will put in another entrance into their building; at the completion of that, he would say they are at the end of phase two. Phase three would be a family fitness center and maybe a STEM classroom. Mr. Feldman wasn't sure of the previous extension times. Ms. Faggart said the Board has been giving them six-month extensions. Mr. Torres asked what the Board wants to see in six months. Mr. Wynne said they would like to see the end of this phase, what they plan for the next phase, and financials in order to enact that plan. That's been an issue since the project started and he knows Mr. Torres needs time for fundraising. He thought in six months, by the December meeting, with this completed, the ramp installed, some sort of sustainable plan. Mr. Feldman said they have the property, they took the buildings down, they are no longer a hazard, he understood the Board entered into an arrangement, they would make some improvements, he didn't know why this needs to stay on our books at all. Mr. Mincarelli said Mr. Torres could amend the Contract.

After further discussion, Mr. Mincarelli said the way things are structured now, we would expect the improvements to be put in as part of the agreement. Mr. Torres's question -- was that a part of the original agreement, and Mr. Mincarelli said yes. It wasn't going to be all grass; it was to include some kind of surface. Mr. Torres said it was to include an outdoor sport court surface. Mr. Torres said they don't want to go into the direction of the material for the sport court. Is that something they are locked into? He said the green space is a luxury for the kids now; they want to use this for some sports. Mr. Mincarelli said we could amend the agreement. After further discussion, Mr. Wynne proposed a six-month extension for the continued development of 519-521 Locust Street, with a one-month progress report. Mr. Feldman so moved, and Mr. Gonzalez seconded the motion. Mr. Wynne called for the vote, and all were in favor.

Mr. Wynne moved on to the Rehab Agreement for 64 South Marshall Street. James Ballantyne came forward and said he was the owner of Oaklyn Enterprises, LLC. He brought a revised copy of his proposal form with completion dates added. Mr. Wynne asked for questions from the Board. Mr. Feldman asked if he has done rehab work previously. Mr. Ballantyne said he is currently working on 422 South Marshall Street, which is in Lancaster Township. He has been rehabbing properties since 2000 but most were not in the city. Mr. Feldman asked if he does most of the work himself. Mr. Ballantyne said he does, but he subs out plumbing and mechanical. After a short discussion, Mr. Wynne noted that Mr. Ballantyne purchased this property in February and his completion date was December. He advised him to take a year to do the work. Listening to the previous extension requests, Mr. Ballantyne agreed and his proposal form was changed accordingly. Mr. Mincarelli asked if that was a year from today or a year from the acquisition. Mr. Wynne said a year from the acquisition. Mr. Feldman then made a motion to accept the rehab agreement for 64 South Marshall Street and grant Mr. Ballantyne a year from the date of acquisition to complete the rehab on this property. Mr. Gonzalez seconded the motion. Mr. Wynne called for the vote, and all were in favor.

Mr. Wynne went on to the Proposals for 759 Manor Street and 12 Coral Street and started with Manor Street. Mr. Feldman asked if both parties were still involved. Ms. Torres said that Jon Leventry did not submit a revised proposal. Rizwan Khan and Islam Hassan came forward to speak about their proposal. Mr. Khan said they met with John Lefever to see what their options were. He thought two office spaces with parking in the back would work. Mr. Wynne asked if they felt comfortable with that construction, and Mr. Khan said yes. Mr. Feldman remembered from the last meeting that they were working on several properties. Mr. Hassan said he is still working on his property while Mr. Khan has done several rehabs. Mr. Feldman asked if he did the whole house. Mr. Khan said yes. Mr. Feldman said this property is a demo and rebuild, not a rehab. Mr. Khan said they would demo the existing structure and start over with a new building. Mr. Wynne asked if Mr. Gonzalez was here last month. He said yes and he was reviewing their proposal now. Mr. Feldman was looking at the financials and noted another one since last month. Mr. Khan said they submitted a second one to cover additional expenses if needed. Mr. Feldman asked if he was another partner in the company, and Mr. Khan said yes. Mr. Gonzalez asked where the \$30,000 estimate came from to construct the building. Mr. Khan said he came up with that number from past experience. Mr. Gonzalez asked if they have a team or is it just them. Mr. Khan said they have a plumber, electrician, framer and one that does the mechanicals. Mr. Feldman asked if they spoke to someone in Planning and Zoning; Mr. Khan

said yes, they spoke to Jameel Thrash and they would need to start with land development. Mr. Feldman noted their offer of \$10,000 and said the just compensation is \$18,500. He asked them to talk about the discrepancy. Messrs. Khan and Hassan discussed their offer and agreed to raise the amount to \$18,500. Mr. Wynne then asked Messrs. Khan and Hassan to step outside while the Board discussed their proposal. They discussed the just comp and felt that since they have a team, they know what they are doing from an electrical and plumbing standpoint. Mr. Gonzalez questioned the \$30,000 for a year-long project. Ms. Torres said that may make sense only because of the approvals they need to go through. It takes several months to go through the land development process. It may be a smaller project under land development that may not need as much time as a larger one, but she didn't know if \$30,000 was enough to cover renovations. Mr. Mincarelli noted that their total project is \$69,000. Mr. Wynne concurred and said the \$30,000 is set aside for land development, but they do have an additional stream. Mr. Feldman still had some doubts. Mr. Wynne said they did meet with City staff needed for this project. After further discussion, Mr. Wynne recommended approval with the condition that the Board gets a progress report after approval from land development so we know what their plan is going forward. Mr. Wynne then brought Messrs. Khan and Hassan back into the room. Mr. Feldman then made a motion to sell 759 Manor Street to Messrs. Khan and Hassan for the just comp of \$18,500 with the condition that the Board gets a progress report after approval from land development. Mr. Wynne said after their land development approval, he wanted them to return to the Board with a full plan. Mr. Gonzalez seconded the motion. Mr. Wynne called for the vote, and all were in favor.

Mr. Wynne moved on to 12 Coral Street and Stephen Bonuso came forward. He said he would like to buy this property to use as a yard and add two parking spaces for his property at 617 Lake Street. This property doesn't have a front yard and has only a very small back yard. It has no parking, and it's very hard to find parking on that street. He noted that cars were parked on the Coral Street lot illegally and thought he could acquire the lot for his tenants. Mr. Wynne asked about the just comp; Ms. Faggart said it was basically the cost to demo the house on the property. Mr. Wynne said the just comp is usually for a physical structure, but said in this case, that amount was our costs for the demo. He asked Mr. Bonuso if he saw the asking price of the lot. Mr. Bonuso said he saw the asking price and the price that the property was acquired for. Mr. Feldman asked for the demo cost; Mr. Wynne said \$14,000. After Mr. Bonuso stepped outside, Mr. Wynne asked for thoughts on the offer. Mr. Feldman acknowledged the low offer and said he would add value to the property by improving the lot. He asked how long the lot has been empty. Ms. Faggart didn't have the file with her but thought around three or four years. Mr. Feldman said parking spaces add value to the neighborhood. Mr. Wynne didn't feel comfortable with the low offer. Ms. Faggart noted the continuing cost to clean up the property. Ms. Torres added that the Authority has to pay the cost to tow the cars off the lot. Mr. Wynne said while he isn't for the low offer price, the maintenance costs at this point is a net negative so while it's not a great offer, it's costing us more to maintain the lot. Mr. Gonzalez asked if Mr. Bonuso could offer more. With no further discussion, Mr. Bonuso was brought back into the room. Mr. Feldman said the Board discussed his proposal, looked at his situation, noted the demo of the house, and for him to have this lot is a benefit for his tenants. He asked if Mr. Bonuso could raise his offer. Mr. Bonuso said he could bring it up to \$3,000. Mr. Feldman

then made a motion to sell 12 Coral Street to Stephen Bonuso for \$3,000, and Mr. Gonzalez seconded the motion. Mr. Wynne called for the vote, and all were in favor.

Mr. Wynne moved on to the Report from Life Changes Realty Group. Ada Rivera came forward and said she had a lot of calls on the properties since they showed up as new listings. For Strawberry Street she had eighteen inquiries and one showing with 33 inquiries on Beaver Street with a few showings. One question she gets from prospects on Beaver Street, the market value after they invest funds for rehab, they are basically walking away with nothing, so they would be losing money because of the market value. One offer she had was that one person would consider it if they would be able to do a five-year lease with an option to own at some point. It would be a rental for five years before selling it to an owner occupant. Mr. Wynne said an option to buy is not always a guaranty to buy. Ms. Faggart asked if it would be an installment sale agreement. Ms. Rivera said yes, then it would be sold after. Mr. Wynne acknowledged a lot of activity on this property, but he would not jump at this offer that is so complex and will set a precedence. The consensus of the Board was to hold off for now.

Mr. Wynne moved on to Residential/Commercial Properties. Ms. Torres brought up the right of way and easement agreement that was emailed to the Board by Mr. Mincarelli. This agreement will allow the City to do some sewer work in the alley between the Southern Market Building, which the Authority owns, and Howell's Glass which will let the City continue with that work. Mr. Mincarelli had Resolution 19-6-33 which would authorize the Authority to enter into an easement agreement with Howell's Glass, which shares the common alleyway, and between the two property owners, would give the City the easement rights to install a sewer main in the alleyway. Mr. Feldman then made a motion to grant the City the easement request, and Mr. Gonzalez seconded the motion. Mr. Wynne called for the vote, and all were in favor.

The next item Ms. Torres wanted to speak about was 433 East Strawberry Street. This former RAEL property was sold to Ozories Botros Ibrahim who rehabbed the property and acquired the CO in May of 2017. However, he never moved into the property but has rented out rooms despite the deed restriction. There were complaints from neighbors and Mr. Mincarelli sent him a letter of violation. He stopped for a while, then continued to rent rooms again until we got more complaints from neighbors. These renters were hanging out on neighboring properties. Mr. Mincarelli thought it would be a good idea to institute legal action against the owner for violating the deed restriction on that property. A lady spoke up and said she is a neighbor who lives at 435 East Strawberry Street. She introduced herself as Barbara Brock and said their houses are very close together. Right now, it appears to be a rooming house. The owner does live there occasionally; there are people coming and going next door all the time. Someone asked if it's for sale, and she said no. He didn't do a good rehab; it's not in good condition. Mr. Feldman said there is probably a City licensing issue also. Ms. Torres concurred and said the housing inspectors were there and agreed it is being used as a rental. Mr. Mincarelli said that's also a zoning violation. Ms. Torres said the City went after him because he's renting the property illegally, but the Zoning Officer can't prove that it's being used as a rooming house. Ms. Mincarelli asked if the City will prosecute the owner. Ms. Torres said yes, they have started that process by sending the property owner a violation notice. Because of the repeated violations, Mr. Gonzalez would agree to legal action. Mr. Feldman then made a motion to authorize

Mr. Mincarelli to initiate legal action against the property owner of 433 East Strawberry Street. Mr. Gonzalez seconded the motion. Mr. Wynne called for the vote, and all were in favor.

The last item for Ms. Torres is the resolution regarding converting single family properties into multi-family properties to provide affordable housing. The Board reviewed it last month, Mr. Feldman requested an email to the Board so he could review it in more detail, and she wanted to know if the Board had any questions about the resolution. Mr. Gonzalez thought she added a clause or sentence about people being eligible if they are about to be evicted. Mr. Feldman thought the original proposal was specific for people facing eviction or experiencing homelessness. All agreed with this. His inclination was that if we would enter into this agreement, it would be with responsible parties. Ms. Torres concurred. A long discussion then took place on people eligible for this housing, entities approved as owners/landlords, zoning districts for this housing, and notifying neighbors of the change. Mr. Feldman continued with each item in the resolution. Matt Beakes of Impact Missions was in attendance and answered Mr. Feldman's questions on the non-profit's procedure and monitoring of this housing. Mr. Wynne asked if we could add text in the resolution that the Authority would require an annual audit of the non-profit, and Ms. Torres agreed. The Board agreed that some revisions will be made to the resolution so it can be considered at next month's meeting.

Mr. Wynne moved on to the Solicitor's Report and Proposed Actions. Mr. Mincarelli brought up the request of Lancaster Press Partners who wanted to extend their loan again. He said the Board needs to approve it, then sign the Second Amended Bridge Loan Mortgage Note. This was discussed last month, and Mr. Mincarelli needed to contact Mr. Drogaris' attorney with the suggested revisions before the Note was signed. He reviewed the revised terms with the interest due on the current maturity date. The new maturity date would be December 31, 2020. A discussion took place with Jean Weglarz on the history of this loan and why the Board is granting an extension.

Mr. Mincarelli had a request from Ms. Torres to draft a resolution regarding anti-fraud in case the Board gets a party that makes a misrepresentation to the Board about what they will do with a property as we had in one particular case, so we would have a recourse. This will be discussed at next month's meeting, but it will disqualify anybody from making a proposal in the future if they misrepresent some of the pertinent facts he outlined in section 3. Mr. Wynne agreed that the Board should do this.

The last item was for Mr. Mincarelli to distribute was his monthly report with the properties under Rehab Contracts and those under Rehab Agreements. There are some properties in red ink that need to be addressed.

Mr. Wynne went on to Other Business. Mr. Beakes came forward with a request for his property at 607 St. Joseph Street. He did schedule a final inspection last month. Everything passed except for one item related to electrical. His electrician was scheduled for surgery, so Mr. Beakes had to contact another electrician, and the work is scheduled for next Friday. Therefore, Mr. Feldman made a motion to grant a one-month extension for 607 St. Joseph Street, and Mr. Gonzalez seconded the motion. Mr. Wynne called for the vote, and all were in favor.

Having no further business to be brought before the Board, Mr. Wynne adjourned the meeting.

Respectfully submitted,

Carolyn Faggart

RACLMinutes

