

The City of York, Pennsylvania

Carol Hill-Evans, President of Council
 Michael Ray Helfrich, Vice President of Council
 Henry Hay Nixon, Member of Council
 Renee S. Nelson, Member of Council
 Sandie Walker, Member of Council

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COMMITTEE MINUTES February 24, 2016 6:00 p.m.

Police	Fire	Public Works	E&C Development	Business Admin	Rules & Admin
Walker Hill-Evans Nelson	Walker Hill-Evans Nelson	Nelson Hill-Evans Helfrich	Nixon Hill-Evans Walker	Helfrich Nixon Nelson	Hill-Evans Helfrich Walker

***Bold text indicates Chairperson**

Note: General Committee is chaired by Council President or designee and includes all Council members.

Council Members in attendance: Sandie Walker, Henry Hay Nixon, Renee S. Nelson, Michael Ray Helfrich, Vice President, and Carol Hill-Evans, President.

Administration in attendance: David Michaels, Fire Chief; James Crosby, Deputy Director, Bureau of Housing; Nicole Davis, Deputy Director, Economic & Community Development; and Don Hoyt, Assistant City Solicitor.

City Council staff in attendance: Dianna L. Thompson-Mitchell, City Clerk.

- I. Called committee meeting to order at 6:00 p.m.
- II. Committee Issues for the **March 1 & 15, 2016** legislative Agenda as follows:

FIRE ([View Issues Chart](#))

1. A Bill amending the budget to reflect acceptance of a grant from the State Fire Commission.

Chief Michaels explained that the Department of Fire/Rescue Services was awarded a grant from the Office of State Fire Commission in the amount of \$13,789.79, and that they plan to use these funds to purchase boots for our firefighters. He said no matching funds are required.

DECISION: A motion was made by Hill-Evans, seconded by Nelson, to place this item on the **3/1/16** legislative agenda. The motion passed by the following vote: Yeas – Nelson, Hill-Evans, Walker – 3; Nays – 0.

POLICE ([View Issues Chart](#))

1. A Resolution authorizing a budget transfer in the amount of \$19,901.88 for clothing/uniforms/equipment and other contractual services expenses.

Chairwoman Walker said that this item was actually submitted by the Finance Department and should fall under the Business Administration Committee. As such, she conceded the floor to Vice President Helfrich, Chair of the Business Administration committee, for explanation.

Vice President Helfrich explained that \$18,503.00 of this budget transfer will be used to cover costs related to the school crossing guards' contract and \$1,398.88 will be used for purchase of incidental police equipment.

DECISION: A motion was made by Hill-Evans, seconded by Nelson, to place this item on the **3/1/16** legislative agenda. The motion passed by the following vote: Yeas – Nelson, Hill-Evans, Walker – 3; Nays – 0.

ECONOMIC & COMMUNITY DEVELOPMENT ([View Issues Chart](#))

1. Resolution authorizing the filing of a DCED application in the amount of \$300,000 for the Salem Square Neighborhood Revitalization Project.

April Showers, JMT Consulting Group, explained that the Salem Square Community Association (SSCA) has been conducting ongoing neighborhood revitalization and outreach efforts since 2005. In 2008, Council passed [Resolution No. 37](#) in support of the Salem Square Neighborhood Revitalization Plan. The Plan has been updated with a 2016 Supplement to file along with the 2008 Plan as part of the application to DCED for grant funds in the amount of \$300,000. The funds will be used to carry out physical improvements within the Salem Square Neighborhood. She further explained that the City of York will request waiver of the required 10% local match due to hardship on the City because this neighborhood participates as part of the “City in the Pennsylvania Weed and Seed Program” and at least 20% of the City’s population falls below 150% of the Federal poverty level. However, if the City of York is found to be responsible for the full local share of the project costs (in the form of cash and/or documented in-kind services) the match amounts will come from other grants.

DECISION: A motion was made by Hill-Evans, seconded by Walker, to place this item on the **3/1/16** legislative agenda. The motion passed by the following vote: Yeas – Nixon, Hill-Evans, Walker – 3; Nays – 0.

2. Resolution amending the loan agreement for Liberty Apartments and King Street Apartments.

Director Crosby explained that a loan modification request has been submitted by Delphia Management Corporation for Liberty Apartments (37 East Philadelphia Street) and the King Street Apartments (312, 314, and 334 East King Street). This project has reached the end of its affordability period and they would like to restructure their debt obligations with the City so that they can continue to operate these properties as affordable housing in the City of York.

Debbie Loucks, Executive Director of the York Area Housing Group, representing Delphia Management Corporation, in a letter dated February 5, 2016, explained that Delphia Management Corporation is the current owner of said properties and they are requesting an amendment to the March and June 1996 loan agreements with the city. She said in March 1996, a \$326,000 loan was granted to assist in development of 37 E. Philadelphia St. into six (6), two bedroom apartment households. Repayment of the loan was deferred for 20 years, with 1% interest. Based on the term, approximately \$390,115 will come due April 2016. Of this, \$64,115 will be interest and the remainder will be principal.

She went on to explain that in June 1996, a \$165,000 loan was granted to assist with development of 312, 314 and 334 E. King St. into six (6) apartments for low income households. Repayment of that loan was also deferred for 20 years, with 2% interest. Based on the terms of that agreement, approximately \$231,000 will be due July 2016. Of this, \$66,100 will be interest and the remainder will be principal.

With regret, Ms. Loucks said they do not have the funds to repay these loans because due to income and rent restrictions, they have barely been able to maintain the properties let alone set aside money toward the loan repayments. She said the loan documents gives the City of York the right of first refusal to purchase the property or to extend the loan for a 15 year period. If the loan is extended, the borrower must begin payment on principal and interest following the first month after the 20th year with repayment being 15 a year term at 1% for 37 E. Philadelphia St., and 2% interest for the E. King St. properties.

Ms. Loucks said Delphia Management Corporation is asking for approval of the following:

1. Extend the loans for a 15 year period;
2. Amend the extended loans to replace 1% and 2% interest with 0% interest;
3. Over the extended 15 year period, forgive the interest that accrued on the loans during the initial 20 year period;

4. Delay the requirement to being making principal payments to 2031, if the loans are not paid in full by that time; and
5. Agree to subordinate the loans if they are able to borrow funds to make improvements to the properties.

Additionally, they propose the above be approved subject to them paying the City the greater of:

1. 40% of the cash flow for each property net of routine operating expenses, taxes, current mortgage payments (37 E. Phila. St.), future mortgage payments for loans to make property improvements, required and preventative maintenance, and a payment of \$900/year into a replacement reserve account for each apartment; and
2. \$1,200 per year, with \$800 applied to the loan for 37 E. Phila St. and \$400 applied to the loan for the E. King St. properties.

President Hill-Evans asked why not extend the loan for 5 years instead of 15 years. Ms. Loucks said she doesn't think we'll be in a much better place in 5 years and that it wouldn't make much of a difference. Also, she said the extension terms of the agreement is 15 years and that the housing must remain affordable.

Vice President Helfrich asked if these properties will remain affordable even if we don't grant this extension. Ms. Loucks said if the city doesn't extend the loan, we'll be turning the properties over to the city because the city has the right of first refusal and we wouldn't be able to afford to maintain the properties any longer.

Councilman Nixon asked that the terms of the agreement, repayment options, and any other pertinent information be provided to Council prior to this appearing on Council's legislative agenda and that Director Buffalo, or a representative who can answer questions, also be in attendance.

Vice President Helfrich asked if this is time sensitive. Director Crosby said he believes this can be extended to the first meeting in April if Council is not prepared to vote by its March 15th meeting.

DECISION: A motion was made by Hill-Evans, seconded by Walker, to place this item on the **3/15/16** legislative agenda. The motion passed by the following vote: Yeas – Nixon, Hill-Evans, Walker – 3; Nays – 0.

II. Council Comment: None

III. Administration Comment: None

IV. Next Committee Meeting **March 30, 2016** at 6:00 p.m. in Council Chambers. (Agenda items due by 12 noon on March 16th.)

V. Adjournment: There being no further business, the February 24, 2016 committee meeting adjourned at 6:30 p.m.



Dianna L. Thompson-Mitchell, City Clerk



Carol Hill-Evans, President of Council