

Redevelopment Authority of the City of Allentown
Regular Monthly Meeting Minutes
June 14, 2023
2:00 PM

The following are meeting minutes of the Redevelopment Authority of the City of Allentown pertaining to the Regular Meeting held on **Wednesday, June 14th, 2023** at 2:00 pm Via Teams Virtual Meeting.

Board in Attendance

Daniel Schmidt, Chair
Rodney Bushe, Vice Chair
Jessica Ortiz, Treasurer
Alan Jennings

Staff in Attendance

Megan Hart
Scotty Smith
Joshua Gildea, Solicitor

Public in Attendance:

Scott Unger, AEDC
Brittany Butkowski, AEDC
Carlos Tovar, Diseno Urbano Studio
John Palumbo, Urban Residential Properties
Julio Guridy, Allentown Housing Authority
Phoebe Harris
Mark Hartney, City of Allentown
Lindsay Weber, The Morning Call

Determination of a Quorum

Daniel Schmidt determined a quorum was in place and called the meeting to order at 2:06pm.

Approval of Meeting Minutes

Jessica Ortiz made a motion to approve the minutes from the Regular Meeting held May 10th, 2023 and Special Meeting held June 8th, 2023 seconded by Rodney Bushe, all were in favor except Alan Jennings who abstained from the vote due to just being appointed to the Board.

Old Business

Megan Hart provided an inventory update including no new inventory was added since the last meeting and stated the availability of grant funding will determine if any properties acquired thru eminent domain will remain in inventory to be rehabbed or sold on the open market. Megan Hart stated 802 W. Walnut and 540 W. Hamilton are in litigation to which Joshua Gildea added the Stipulation to Resolve has been signed and filed for 802 W. Walnut and the Petition for 540 W. Hamilton was filed. Megan Hart asked for questions to which there were none.

Megan Hart stated The Manhattan Group is in attendance to provide additional information regarding 332 N. Front Street as requested by the Board of Directors. John Palumbo stated Manhattan Group is not affordable housing developers and prefer to finance their projects and would like to create a solution for their organization to privately finance the project while adding some type of affordable housing component. John Palumbo asked what the affordability requirements are relating to the HUD dollars being paid back. Megan Hart stated the entire project would need to be affordable and asked

Redevelopment Authority of the City of Allentown
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Mark Hartney to confirm to which he agreed. John Palumbo asked if there were any available tax credits that could be used to which Alan Jennings answered no and Mark Hartney added Allentown currently does not and will explore as part of the Housing Strategy. John Palumbo asked if the Authority would support a mixed income project with some affordable units if the federal funds were paid back to which Jessica Ortiz answered she believes most of the Board seemed to be in favor of a mixed income project and the Authority had to follow the income restrictions in accordance with the CDBG funds used. Daniel Schmidt stated the project is a forward-looking design, especially for the area but is limited in use if the funds are not paid back. John Palumbo asked if he could revise the proposal based on the feedback today and would like to submit a revision within a week. Mark Hartney questioned if this was a response to a formal RFP process and if the criteria is changed, questioned if it would need to be opened back up to everyone. Jessica Ortiz answered only 2 proposals were received and both proposers will be given the same courtesy. Mark Hartney said if the criteria is changed to allow something different to be considered, it should be opened to all developers with the new criteria. Megan Hart stated the criteria specified and disclosed in the RFP included the amount of federal funds used and requirement to be paid back if the project was not designated to be low to moderate income. Alan Jennings asked if the design in the proposal is the way the project will look to which Megan Hart stated yes and asked for any other questions to which there were none.

Megan Hart stated the second proposal was received from the Allentown Housing Authority for construction of townhomes designated for low-moderate income households and in response to the Board's request, the Allentown Housing Authority provided pictures of material finishes that would be used in construction. Julio Guridy was present however was experiencing technical difficulties with volume but was able to respond in the chat of the meeting. Jessica Ortiz stated the materials seem to be low quality grade and standard and is concerned about consistency compared to the other proposal and subpar to the rehabs that are completed by the Authority. Julio Guridy answered the material used would be a better quality and upgraded. Scotty Smith added the Authority does put in granite and better-quality materials and finishes because it holds up better. Jessica Ortiz stated the cookie cutter design doesn't fit in the area. Julio Guridy stated the pictures were just examples. Julio Guridy asked if anyone has seen Overlook Park or Cumberland Gardens and stated they can change the materials to which Daniel Schmidt said since The Allentown Housing Authority has heard the concerns of the Board they can also have a week to provide any revisions to their original proposal and all agreed. Daniel Schmidt stated the Allentown Housing Authority's proposal is great to promote home ownership, it's the design and materials to be used that is a concern. Megan Hart asked for questions to which there were none.

Megan Hart stated based on a conversation between Daniel Schmidt and the Mayor, the Mayor expressed his dislike of the previously submitted Strategic Plan, Megan Hart recommended the Authority seek an outside consultant to evaluate the Authority and provide a formal Strategic Plan to include acquisition and disposition of property and revenue generation which will surpass the changing of Board Members and Staff. Jessica Ortiz and Daniel Schmidt agreed. Jessica Ortiz stated she needs to understand if we are a separate entity, why do we need to provide that to the administration and asked Joshua Gildea if we do have to do this to which Joshua Gildea answered no however we are connected to the City and we are not required to but we do work with them. Alan Jennings stated he has 42 years

Redevelopment Authority of the City of Allentown
Regular Monthly Meeting Minutes
June 14, 2023
2:00 PM

of experience including writing Strategic Plans and does not see the need to spend the money. Rodney Bushe stated he agrees with Mr. Jennings.

Megan Hart stated Tyrone Russell previously requested an overview of language that can and cannot be used in RFP's. Jessica Ortiz stated since Tyrone Russell had a scheduling conflict and could not attend today's meeting, let's table the discussion until next month's meeting.

RESOLUTION – Jessica Ortiz made a motion to table the discussion regarding RFP language, seconded by Rodney Bushe and all were in favor.

Megan Hart stated an updated resolution will be needed in order to sell the current the inventory of acquired properties thru eminent domain.

Megan Hart provided the Profit and Loss and asked if there were any questions. Jessica Ortiz asked for confirmation regarding if the contract has been signed yet for the CDBG awarded funds. Megan Hart stated the contract is awaiting signature from the Mayor. Mark Hartney responded he does not have any update and will look into it. Megan Hart stated she spoke to Vicky Kistler 3 weeks ago and she was looking into it. Joshua Gildea stated he was contacted by the City regarding the audit and Megan Hart stated the Auditors were wrapping it up and will forward asap. Megan Hart asked for any other questions to which there were none.

New Business

Jessica Ortiz stated she would like to address the fact that the Authority has 2 resignations which merits a discussion and invited Ms. Phoebe Harris to the meeting as she is possibly interested in the position. Jessica Ortiz stated due to the discord happening and how things have been going we have lost 2 people and is a reflection on the board and is not a good thing. Daniel Schmidt said Megan Hart and Scotty Smith are going to be very hard to replace and thanked them for everything they did and the work was much appreciated.

Megan Hart thanked the Board and stated thru everything and being without a 5th Board Member for 1½ years, we were able to accomplish a lot and all of us should be proud including the Authority acquiring 14 properties which was more than the Authority ever did, we completed 5 rehabs creating 5 low to moderate income home owners, created 2 low to moderate income rentals, collected on over \$200,000 of past due loans and have 3 shovel ready projects. Scotty Smith thanked the Board as well for acknowledging the work done.

Daniel Schmidt asked for any questions or comments. Rodney Bushe stated he appreciates the work that has been done. Joshua Gildea stated he greatly enjoyed working with Megan Hart and Scotty Smith.

Public Comment

Phoebe Harris stated she spoke to Megan Hart and Jessica Ortiz and possesses the experience with RFP's, RFQ's, MOU's, she governs, makes policy, is on committees and is already used to doing these

Redevelopment Authority of the City of Allentown
Regular Monthly Meeting Minutes
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things and this job is perfect for what she does in the community and would appreciate consideration for Megan Hart's position. Daniel Schmidt thanked Phoebe Harris.

Executive Session to discuss employment at 2:53.

Megan Hart stated Lindsay Weber messaged her regarding follow up questions and told the Board that she instructed her to rejoin the meeting. Rodney Bushe stated he has an appointment and needs to sign off. Alan Jennings stated that the press is an ally. Jessica Ortiz stated Tyrone Russell and Rodney Bushe wanted to create a policy for speaking with the media and that is the reason it would be best that we address the questions on a public format. Lindsay Weber asked for further explanation regarding grant funding. Megan Hart stated the Authority received an award letter from the City Grants Manager for \$1million dollars from Hud/Arp money, \$500,000 in HOME dollars to construct an 8 unit multi family building however the City rescinded that award and reallocated the funds to a different project. Megan Hart stated the contract for the CDBG funds in the amount of \$300,000 is awaiting signature from the Mayor. Alan Jennings stated he has been on the Board for an hour and it is clear the Authority is incredibly under resourced, the housing problems within the city are the most serious problems and attract some of the worst challenges and if the City is going to have the future it needs, it will need to put more resources into housing and the Authority should be in the middle of that. Jessica Ortiz stated everything we have been experiencing up until Alan Jennings has joined the board is the City does not want to, so moving forward, hopefully with Alan Jennings' relationships, maybe the City will be more inclined to do so. Daniel Schmidt stated the Authority also promotes affordable home ownership and we are not funded appropriately. Lindsay Weber asked what it will look like going forward without staff. Alan Jennings stated the Board is looking at several options. Lindsay Weber asked what project the rescinded funding was awarded to. Megan Hart stated she does not know what project is receiving those funds and explained the amount of federal funds invested in that property requires low to moderate income restrictions and that combined with the cost of construction, makes it difficult for a developer to make the numbers work on their end and the Authority would have been able to use the grant funding for construction and then also generate revenue. Lindsay Weber asked if the Authority develops properties themselves and Megan Hart stated we do have a 2 unit rental with occupants in the 50% ami and also rehab properties that are sold to low to moderate income households as well as monitor the rehabs of properties sold. Jessica Ortiz stated the project on 6th Street would have not only provided some housing but would have had a positive effect in that area.

Alan Jennings stated no one he has talked to thinks the Mayor is doing a good job. Jessica Ortiz stated if you ask him, he thinks he is. Alan Jennings stated regardless of personal relationships of being a mentor to the Mayor and spending time with him, no one should have to live in some of the housing that they are, is very frustrating and if needed, will play hardball.

Adjournment

3:55 pm