

**MINUTES OF THE MEETING OF THE BOARD OF THE REDEVELOPMENT  
AUTHORITY OF THE COUNTY OF BERKS**

September 22, 2020

Chairman Glenn Yeager called the meeting of the Board of the Redevelopment Authority of the County of Berks to order at 3:00 P.M. on September 22, 2020 via a Zoom meeting.

**1. Roll Call:**

The following Board members were present during the meeting:

Glenn Yeager, Chairman  
Eileen Kastura, Vice Chairperson  
Diodato Bassano, Treasurer  
Pellegrino Orlando, Secretary  
Thomas Ruth, Member

Also in attendance were:

Peter Battaglia, Deputy Director  
Kathy Heckman, Executive Assistant  
Kathy Miller, Fiscal Officer  
Thomas Dachowski, Housing Director  
Daniel P. Becker, Esquire of Kozloff Stoudt, Solicitor

**2. Reading and approval of minutes of the meeting of 8/25/20:**

Upon motion made by Glenn Yeager and seconded by Eileen Kastura, all members of the Board present voted to approve the August 25, 2020 minutes of the Board of this Authority.

**3. Report of Treasurer:**

Diodato Bassano presented the Profit & Loss Statement and the Balance Sheet as of August 31, 2020. A copy of said report is attached to these Minutes. Upon motion by Glenn Yeager and seconded by Pellegrino Orlando, all Board members present voted to accept the report of the Treasurer, including said Profit & Loss Statement and Balance Sheet, subject to audit.

**4. Bills and Communications:**

Diodato Bassano presented the list of payments to creditors representing the period of September 1, 2020 through September 23, 2020. A copy of said report is attached to these Minutes. Upon motion by Glenn Yeager and seconded by Pellegrino Orlando, all Board members present voted to ratify the list of payments to creditors.

There were no communications.

**5. Reports of Committees:**

There were no committee reports presented.

**6. Unfinished Business:**

a. Next Step Program & Rentals:

Kathy Heckman then gave a brief report on the "Next Step Program." There are ten (10) contracts which will be paid through December 31, 2020. Ms. Heckman advised that most of the tenants have finished their two (2) year program, but because of COVID and the Authority having extra funds, the Board authorized rent payments to the landlords through the end of 2020.

b. Colebrookdale Railroad:

Peter Battaglia gave an update on the developments at Colebrookdale Railroad. Mr. Battaglia advised that Ken Pick, Nathaniel Guest and Commissioner Christian Leinbach met last Friday, September 18, 2020 to review R.L. Banks & Associates' report. Mr. Battaglia explained that if the project proceeds, it will generate jobs for Berks County. Mr. Battaglia explained that Mr. Pick and Mr. Guest are on the schedule for the next County Operations meeting to discuss the project further. Board Member Ruth questioned the ability to repay the loan and asked if a representative from R.L. Banks is available to present the report to the Board. Mr. Battaglia advised that he will request that Mr. Guest and a representative from R.L. Banks attend the next Authority meeting. Mr. Battaglia explained that Commissioner Leinbach believes now is the time to borrow funds for this project because interest rates are favorable

c. Armorcast R.A.:

Mr. Battaglia advised that there is no update, they are still working towards board of view.

d. Housing Programs:

Thomas Dachowski advised that:

- i. 1408 Meade St. This is new construction. The siding is currently being done. The interior is ready to paint. He believes at the beginning of November it will be finished and hopes that it will sell quickly.
- ii. 367 Mohrsville Rd. The rehabilitation is proceeding. The interior is ready to paint. A lot of exterior work was needed. The patio must be replaced, masonry work must be performed, and a decision must be made whether or not to pave or re-stone the current stone driveway.
- iii. 614/616 Spruce St. The contractor is cleaning the property. A new roof and frame work are required. Once funding is in place, the project will be put out for bid.
- iv. Floret Ave. This project is about to commence. There is a lot of utility and street work required. The sewer/water/gas lines all need to be extended.

e. Blighted Property Review Committee:

Tom Dachowski advised that there was a Committee meeting today. He advised that:

- i. 333 N. Church Road, Lower Heidelberg Township. This property has been certified as blighted. The blight determination resolution was approved.
- ii. 2438 McKinley Avenue, Township of Spring. The blight determination resolution was approved.
- iii. 1951 Woodvale Avenue, Mt. Penn. This property is being taken by eminent domain. The property appraised for \$30,000. Tom Bellairs believes the property is able to be rehabbed. Mr. Battaglia advised that the bank hired a temporary property preservation company to maintain the property. There was a discrepancy whether or not the property owner received all insurance proceeds money from the fire. The insurance company has advised that all proceeds went the homeowner. Solicitor Becker asked if the municipality received any insurance proceeds as that is customary in Pennsylvania. Mr. Battaglia stated he would follow up with Mt. Penn Borough.

- iv. 113 Gerald Avenue, Cumru Township. This is an older property. There is a new property owner. The Owner and representatives from Cumru have reviewed the code violations that must be corrected.
  
- f. Small Business Restart Grant (“SBRG”) Program: Mr. Battaglia advised that it is a challenge to find applicants for the SBRG Program. Of the 78 applications received, only 27 have been approved, and only \$496,632 of the \$1,300,000 grant funds have been awarded to applicants. Mr. Battaglia explained the County recently commenced the Berks County Restart Program which has approximately \$6,000,000 of grant funds available for qualified applicants. Mr. Battaglia stated that the County received 346 applications totaling approximately \$7,600,000 of grants requested. Mr. Battaglia advised that because the County’s program is through the Federal Cares Act, the application process is less intensive. Mr. Battaglia explained that there have been discussions about revising the SBRG Program to make process easier to qualify for a SBRG. Mr. Battaglia advised that if the SBRG Program funds are not fully awarded by October/November, the Authority will use the funds for other projects.
  
- g. Southgate Apartment Associates, L.P. Solicitor Becker explained that in June of 2019 the Authority acquired a \$400,000 note and mortgage from the County of Berks that resulted from the County providing financing to Southgate Apartment Associates, L.P. to construct affordable housing in Bern Township, Berks County. Mr. Becker explained the Authority’s mortgage is subordinate to PHFA’s first mortgage. Mr. Becker advised that Southgate intends to convey the Southgate apartments, along with several other affordable housing projects throughout the state, to a new entity that will refinance the projects in one larger \$14.5M loan. In order to complete the conveyance and refinancing, Southgate and its successor are requesting the Authority subordinate its \$400,000 mortgage to new financing. Solicitor Becker explained that if the Authority agrees to do so, it will receive a payment of approximately \$71,000.00 which represents the interest that is currently due on the original \$400,000.00 note. He also advised that Southgate will not be pay any principal payments at this time. Solicitor Becker was informed by Ian Rawhauser of HDC MidAtlantic that Southgate that closing is scheduled for the end of October, prior to the next Authority meeting. Accordingly, a motion was made by Glenn Yeager and seconded by Diodatto Bassano to authorize the preparation and execution of the necessary documentation for the subordination, subject to appropriate review by Solicitor Becker and the Authority staff.

- h. RACP Grant for St. Joseph's Hospital Cardiac Catherization Laboratory. Solicitor Becker advised that because St. Joseph's Hospital was unwilling to accept the Authority's standard agreement to act as the Grantee for a RACP grant in a timely fashion, and a result of the Authority's recent involvement administering various COVID related programs in Berks County, the Authority does not have the time nor the staffing to manage St. Joseph's RACP Grant at this time. Consequently, Solicitor Becker informed St. Joseph's attorney, Jacob Theis, that while the Authority remains willing to act as the RACP Grantee for St. Joe's cardiac catherization laboratory project, it cannot do so until the new year, and then only if St. Joe's agrees to utilize the Authority's RACP standard agreement. In response, Mr. Theis, asked if the Authority would reduce its fee. The Board instructed Solicitor Becker to inform Mr. Theis that while the Board remains supportive of the cardiac catherization laboratory project it will only act as the RACP Grantee if it may do so in the new year and providing that St. Joe's agrees to the Authority's \$40,000 fee.
- i. Rent Relief Program: Kathleen Heckman advised that since July 6<sup>th</sup>, 360 applications have been received with 90 being eligible and 270 pending. There have been 66 payments processed to the landlord. The deadline for applications is September 30<sup>th</sup>. Ms. Heckman advised that some landlords are not cooperating and that is why some are pending. Kathy Miller advised that there are another 15 applicants who are eligible, but she has not received the necessary documents from the landlords to process the payments.
- j. Miscellaneous Items: None

7. **New Business:**

- a. Approval of grant agreement with Berks Housing Opportunities providing \$150,000 from the HOME Program for a project located at 512 Pine Street, Leesport. Upon motion made by Eileen Kastura and seconded by Glenn Yeager, all Board members present voted in the affirmative

8. **Adjournment:**

There being no further business of this Authority, a motion was made by Glenn Yeager to adjourn the meeting of this Authority. The motion was seconded by Thomas Ruth and all members of this Authority present voted in the affirmative. This meeting was adjourned at 4:56 p.m.

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Pellegrino Orlando, Secretary