

**Meeting Minutes
State College Borough
Redevelopment Authority and Real Estate Advisory Committee
July 24, 2019**

The State College Borough Redevelopment Authority (RDA) met on Wednesday, July 24, 2019 in the Municipal Building, 243 South Allen Street. Sally Lenker, Chair, called the meeting to order at 12:10 p.m.

Redevelopment Authority Members Present

Sally Lenker, Chair; Colleen Ritter, Vice-Chair; Richard Kalin via speakerphone; James Shincovich, Secretary/Treasurer; and Mark Huncik

Redevelopment Authority Members Absent

Rebecca Misangyi

Real Estate Advisory Committee Members Present

Peg Hambrick, Chair; and Cathy Dauler, Borough Council Member

Real Estate Advisory Committee Members Absent

Mel White

Public Hour

No one from the public wished to discuss items not on the agenda.

Objective

Mr. LeClear stated the objective of the joint meeting was to provide the Redevelopment Authority and Real Estate Advisory Committee with the updated 2019 Real Estate Advisory Committee Report, and an overview of the final numbers for the Neighborhood Sustainability Program (NSP).

Mr. LeClear stated staff waited to finalize the report until all Neighborhood Sustainability Program properties were sold. The second quarter report would need updated soon.

He noted the report would go to Council either the last meeting in August or the first meeting in September. The final decision would fall to the new upcoming Council next spring.

Ms. Hambrick stated the program had been in existence for about six years. She noted it was a very creative way to try to achieve what had been the number one issue in the neighborhoods, more owner-occupied homes. She applauded Council for moving on this, however a number of issues still needed to be addressed. She stated it was very hard to justify the program with only a marginal difference and at what cost.

Ms. Hambrick stated the REAC recommended to stop buying NSP homes for now and focus more on buying back student home licenses. Mr. LeClear stated the Borough Manager was in agreement with this but would like to see more dialogue with Council.

Mr. LeClear stated, per the bond agreement, the Line of Credit (LOC) could be used to purchase student home licenses. Ms. Hambrick asked what the Borough owed on the LOC and Mr. LeClear reported \$1,166,606.00.

Each REAC recommendation discussed:

1. Implement the new purchase program to acquire and extinguish student home licenses
 - Ms. Hambrick noted the original objective might be achieved by putting this in place.
 - Mr. Huncik stated the student home license targeted certain districts and densities. He noted this could also open up additional student properties, However, Mr. LeClear stated staff would always check first to make sure that would not occur.
 - Mr. LeClear noted Mr. Kalin had previously stated the Borough would probably attract better homes using this method.
 - Ms. Lenker asked if the dollar per bed amount could be changed. Mr. LeClear stated it could be done.
 - Mr. Shincovich stated the original objective was to encourage diversity and asked if the Borough achieved this. Ms. Hambrick stated “no” it had not. Mr. Shincovich also asked if the objective should be continued with or should the Borough change the objective. He noted the Borough needed to stick with the original objective and see what the long-term achievement would be.
 - Ms. Dauler stated it was reassuring for her to hear Mr. Shincovich’s statement and she shared his opinion. She would not like to see this program abandoned. She noted, in the beginning of the program, there had been a lot of questions about what the focus and management would be. She noted it had been a real learning experience.
 - Mr. LeClear noted the market was very visceral.
 - Mr. Kalin stated he had been involved with the program process for a while. He suggested to stick with the goal but change the methodology. He stated the purchasing of the student home licenses was the way to go. He noted one item to watch was if single-family homes continued to sell for the highest amount they could. So far, the Borough was in a strong position to continue the program.
 - Mr. Huncik stated the program was a sustainability program as he saw it and to sustain the neighborhood was not necessarily to increase home ownership.
 - Ms. Hambrick agreed with Mr. Kalin. She would prefer the money go to the Borough’s First-Time Homebuyer (FTHB) programs because more homeowners could be reached that way.
 - Ms. Lenker noted the prices of the NSP were comparable to the FTHB prices.
 - Ms. Hambrick stated the question should be how the Borough justified spending this kind of money to those who were paying the bill.

- Mr. LeClear clarified the Borough Manager wanted to have a conversation with Council before moving forward either way.
 - Ms. Wargo stated, so far, the Borough had seven persons interested in buying their student home license properties.
 - Mr. Kalin stated the cost for acquiring these licenses was so much smaller than purchasing NSP properties.
 - Ms. Lenker stated she was concerned the new types of renters would not be any better than the original renters.
 - Ms. Hambrick clarified Mr. Shincovich's statement that the Borough should keep trying with this program. Mr. Shincovich confirmed he suggested staying the course with this program in whatever capacity was chosen.
 - Mr. LeClear stated he was concerned about the credit card mechanism currently used to purchase these homes. He suggested including, in the Council discussion, how to change the mechanism.
 - Mr. Kalin agreed with Mr. LeClear and suggested not bringing those two items up at the same time to Council. Mr. LeClear suggested doing it in sequence.
2. Prospect current Student Home Property Owners
 - Ms. Wargo started this recommendation.
 3. Develop a community awareness campaign to increase awareness of Borough Housing Programs
 - Mr. LeClear proposed to the Borough Manager to put a line item in the Planning Department budget. He suggested a bigger campaign and branding effort was needed along with funding.
 - Mr. Huncik asked what the FTHB programs were geared to. Ms. Hambrick stated both to renters and owner-occupied home owners.
 4. Connect with area employers regarding current inventory
 - Ms. Hambrick noted the Borough needed to connect with local employers. She noted Pennsylvania State University (PSU) was hard to connect with. She stated she had a difficult time getting the "Home of State College" Facebook page on PSU's website. Mr. LeClear stated by bringing smaller employers together, perhaps PSU would eventually come around.
 5. Recommend RDA doesn't buy anymore duplexes
 - No comments were made.
 6. Recommend that the RDA not sell to whom the RDA originally purchased the property from
 - No comments were made.
 7. Get under contract with a property management group for current properties.
 - No comments were made
 8. Due to the amount of apartments coming on line in downtown, REAC recommended holding off on purchasing anymore houses until the market levels
 - No comments were made.

Mr. LeClear shared the current balance in the RDA fund of approximately \$700,000. He noted, at least \$500,000 would be needed to be paid back to the LOC.

He stated Ms. Hambrick would present this report to Council.

Ms. Hambrick asked the RDA for their input regarding the NSP.

- Ms. Ritter stated, looking at the numbers, she would support continuing the program. She noted the objective had been achieved so far and stated, perhaps the program should continue with purchasing back student home licenses.
- Ms. Lenker stated the NSP should be put on the back burner concentrating on purchasing student home licenses. She noted she did not want anything off the table and Ms. Hambrick noted that was a good point.

Mr. LeClear stated staff wanted to continue the partnership with the Borough housing programs. He noted NSP homes only helped the middle-income program and were too expensive for the low to moderate program.

Adjournment of the joint RDA/REAC Meeting

With no further business for the joint members to discuss, a motion to adjourn the meeting at 1:08 p.m. was made by Ms. Hambrick.

At this time, the joint RDA and REAC meeting adjourned to an RDA meeting.

Approval of Minutes

A motion was made by Mr. Shincovich and seconded by Ms. Ritter to approve the June 26, 2019 minutes as submitted. The vote was unanimously in favor.

Chair Report

Ms. Lenker, Chair, had nothing to report.

Public Hour

No one from the public wished to discuss items not on the agenda.

Financial Matters

Mr. LeClear gave a brief overview of the May 2019 expense voucher which included the categories: 1) debt service-interest; 2) electricity; and 3); advertising.

Ms. Lenker asked about the advertising cost and Mr. LeClear stated it was for a Chamber of Business and Industry of Centre County ad authorized by the Borough Manager.

A motion was made to approve the May 2019 expense voucher by Mr. Huncik and seconded by Ms. Ritter. The vote was unanimously approved.

Economic Development

State College Town Centre Project (SCTC)

Mr. LeClear stated he went over each of the members comments with the Borough Solicitor.

- RDA would be responsible for paying for the appraisal.
- RDA development language would stay the same.
- A Traffic Impact Study would be triggered if it met the threshold in the zoning ordinance.
- Would the Repurchasing Agreement impact Sidney Friedman Park? Mr. LeClear stated the park belonged to the Borough and Council would make that decision.
- Declaration of Covenants were for graduate students as well.

A motion to approve all four agreements was made by Ms. Ritter and seconded by Mr. Shincovich. The vote was unanimously in favor.

Official Reports and Correspondence

Mr. Shincovich asked what happened with Hotel State College. Mr. LeClear stated the business was for sale not the property. Mr. Huncik stated the property was in the Local Economic Revitalization Tax Assistance boundary but was not protected by the Historical Architectural Review Board.

Mr. Huncik asked about the Request for Proposal for the Fairmount School project and Mr. LeClear stated it would be back on agenda at next month's meeting.

Upcoming Meetings

The next scheduled meeting will be Wednesday, August 28, 2019 at Noon.

Adjournment

With no further business to discuss, a motion to adjourn the meeting at 1:24 p.m. was made by Ms. Lenker, Chair.

Respectfully submitted,

Denise L. Rhoads
Administrative Assistant