

MINUTES
IMPACT HARRISBURG
February 19, 2019, 10:30 a.m.
Pennsylvania Housing Finance Agency
211 North Front Street, Harrisburg

Officers of the Board Present:

Neil Grover, Chair
Doug Hill, Vice-Chair and Interim Treasurer
Gloria Martin Roberts, Second Vice-Chair

Board of Directors Present:

Dale Laninga, Director
Russ Montgomery, Director
Karl Singleton, Director

Others Present:

Sheila Dow-Ford, Executive Director
Larry Segal, Compliance Team
Annemarie Byrnes, Compliance Team (conference call)
Daniel Betancourt, President/CEO Community First Fund
Glenda Machia, Development Manager, Community First Fund
Anne Weaver Morrow, Recording Secretary

Officers of the Board Absent/Excused:

Brian Hudson, Secretary
Jackie Parker, Director

The Chair called the meeting to order at 10:33 a.m.

Interim Treasurer left the meeting at 10:49 a.m. and returned at approx. 11:30 a.m.

1. Interim Treasurer Report

The Interim Treasurer distributed the Fulton Bank and Wilmington Trust statements. Both statement balances are positive. Wilmington Trust will continue to utilize the investment strategy currently in place as in the past. No transfers are anticipated in March, but a transfer will most likely happen in April based on the projections on the draw schedule report.

Interim Treasurer requested a motion to approve the following Grantee project draw requests:

- City of Harrisburg Multi-Modal project, draw #8, in the amount of \$165,786.72
- Tri-County HDC in the amount of \$63,000

It was moved by Mr. Hill and seconded by Ms. Martin-Roberts that:

“The Board approve the draw requests to pay the City of Harrisburg for the multi-modal project in the amount of \$165,786.72 and for Tri-County HDC in the amount of \$63,000.”

Discussion: Mr. Singleton requested an update regarding the City of Harrisburg's disadvantaged business enterprise (DBE) participation percentage.

Executive Director Dow-Ford noted the City had reported DBE participation increased from 2% to 8%. The number has stayed at 8%. No updates by the City have been reported.

Ms. Martin-Roberts noted DBE participation has and is a priority of this Board. DBE participation should be consistent across the table and should be reported automatically by all the Grantees, especially as numbers improve.

The Chair asked the Interim Treasurer to withdraw his motion requesting the approval of both the City of Harrisburg and Tri-County HDC draw requests and was asked to make the motions separate. The motion was withdrawn.

Interim Treasurer made a motion for the Board to approve the draw request for the City of Harrisburg multi-modal project in the amount of \$165,786.72.

It was moved by Mr. Hill and seconded by Mr. Singleton that:

"The Board approve the draw request to pay the City of Harrisburg for the multi-modal project in the amount of \$165,786.72."

**MOTION CARRIED with a No vote from
Ms. Martin-Roberts and Mr. Singleton**

Interim Treasurer made a motion for the Board to approve the draw request for Tri-County HDC in the amount of \$63,000.

It was moved by Mr. Hill and seconded by Ms. Martin-Roberts that:

"The Board approve the draw request to pay Tri-County HDC in the amount of \$63,000."

MOTION CARRIED UNANIMOUSLY

Interim Treasurer made a motion for the Board to approve the delegation to the Finance Committee for final authorization to approve payment on a forthcoming draw request for the Harrisburg Redevelopment Authority in the amount of \$46,757.25; with payment to be made once the Compliance Team and Executive Director have received proper documentation.

Mr. Segal discussed the match requirement of 3:1 but requested the Board accept a 1:1 match with an acceptable level of documentation provided by the City of Harrisburg on all properties demolished.

The Chair tabled the motion for discussion later in the meeting when the project status updates are provided.

2. Community First Fund Presentation

The Chair welcomed Mr. Betancourt and Ms. Machia with Community First Fund (CFF) and noted questions arose at the January Board meeting regarding the Harrisburg Business Opportunity Fund (HBOF) that the Board felt it necessary to bring Community First Fund back in to clarify these concerns. Executive Director Dow-Ford articulated the Board's concerns in a letter to Community First Fund, dated January 30, 2019.

During Mr. Betancourt's presentation, it was noted the HBOF provided loans to 5 businesses (out of the goal of 6 loans) totaling \$116,000 over the past year. The underwriting of a loan is based on CFF's mission statement. Every loan has a risk rating or score. CFF also performs an impact rating, which measures the degree to which a loan application matches up to CFF's business mission statement. To get a rating of 10, the borrower must have at least 2 of the components below.

Borrowers must be at least

- 80% African American/20% White;
- 60% have incomes less than 80% the area median income (AMI),
- 80% have a credit score below 625 and
- 100% have a 10/10 rating on CFF's impact scale, which is based on low income, located in a low-income census tract or a person of color.

Executive Director Dow-Ford raised a question regarding the Bryn Mawr Trust and the HBOF. She noted the funds are two distinct pots of money, which may have different objectives in terms of how the funds were structured and different lending criteria associated with each fund, and that the funds may conflict with each other. Mr. Betancourt replied CFF treats all its funding sources in a fiduciary way and all the funding sources match up to CFF's mission statement. CFF's mission statement is to help primarily people of color and to provide lending capital to that mission.

Mr. Montgomery inquired how CFF will reach applicants who need a micro loan. Mr. Betancourt noted the minimum loan request is \$1,000. CFF is not a micro lender, although they do approve micro loans. The HBOF loans that were approved are micro loans. CFF doesn't have grant dollars to provide or support the level of technical assistance needed for micro loans. Partnerships with development centers and CREDC are necessary. CFF noted they have never stated they would process micro loans even though they do lend, from time to time, at this level. The typical loan amount a small business applies for is at least \$5,000 or more. Mr. Montgomery noted there should be a way to create a vehicle to provide (sub) micro loans to close this gap.

The Board inquired on the marketing efforts for the HBOF. Mr. Betancourt noted CFF has posted HBOF on social media, LinkedIn, and Facebook, included HBOF in newsletters, and has prototyped a brochure that should be completed within 30 days. CFF is also in the process of publishing an article with PennLive.

Mr. Betancourt recognized the concerns the Board has regarding the HBOF in the overall market the Board is trying to address. CFF is trying to leverage up all the work it provides for Impact Harrisburg and meet the established goals.

Executive Director Dow-Ford inquired on the progress of hiring a new Business Development Associate for the Harrisburg CFF office and asked for clarification regarding the loan application process. Specifically, what funding source a loan is processed through and if the interest rate plays a factor? Mr. Betancourt responded they are working on placing a person in the Business

Development Associate position. All loans that qualify for the HBOF are at a 5% interest rate. Applications that qualify will first go through HBOF, the first million, before going through another funding source. Impact Harrisburg has an interest in seeing that the dollars invested by Impact Harrisburg and PHFA have a direct impact on the community and the funding can be identified back to the funding source. Mr. Betancourt noted as CFF raises more grant dollars beyond a million, CFF will keep matching the 5% interest rate on loans.

A follow-up meeting is scheduled with Community First Fund on Friday, March 1. Mr. Grover, Mr. Hudson, and Executive Dow-Ford will be in attendance.

3. Regular Board Meeting of January 22, 2019

It was moved by Ms. Martin-Roberts and seconded by Mr. Montgomery that:

“The minutes from the Impact Harrisburg Board of Directors regular meeting of January 22, 2019, be approved as printed.”

MOTION CARRIED UNANIMOUSLY

4. Executive Director Report

Executive Director Dow-Ford will be meeting with the auditor next week for finalizing the FY18 audit.

Executive Director Dow-Ford reiterated the Interim Treasurer’s request for a motion to approve the delegation to the Finance Committee for final authorization to approve a draw request that is forthcoming from the Harrisburg Redevelopment Authority in the amount of \$46,757.25; with payment to be made once the Compliance Team and Executive Director have received proper documentation and that the Board agrees to a 1:1 match with an acceptable level of documentation that was provided to HRA by the City of Harrisburg specifying the locations of demolition and year the demolition occurred.

It was moved by Mr. Grover and seconded by Mr. Hill that:

“The Board approve the recommendation by the Consultants to agree to a 1:1 match with the acceptable level of documentation that was provided to the Harrisburg Redevelopment Authority be approved.”

MOTION CARRIED UNANIMOUSLY

Ms. Byrnes provided an update on the Grantee projects.

- East Shore YMCA - will provide an update on their proposal to the Board for the remainder of the grant funds.
- City of Harrisburg Multi-Modal – a draw request will be submitted next month in the amount of \$517,489 for construction. Project to be completed in October 2019.
- Gamut Theatre – submitted a draw request; clarification is pending; Ms. Byrnes will follow-up on this request.

- Salvation Army – project is moving along; requests for documentation has been made; Salvation Army is conducting a survey that tracks the minority participation with results pending.
- Tri-County Community Action – project is to begin in March.
- Tri-County Housing Development Corporation – submitted documentation for a draw request for approx. \$50,000 in construction and \$10,000 for the project management fee. The City's grant of \$74,000 for construction work is pending.

Update 2-19-2019 Project Name (Grant amount)	Compliance Process Started/Completed	Draw Requests Submitted	Status/Comments
Camp Curtin YMCA (\$500,000)	Started	Draw #3 received	<ol style="list-style-type: none"> 1. Received fully executed grant agreement and amendment. 2. Received "as is" property appraisal of \$1.9M as match. 3. Contract for project is \$725,818. Cash funding of \$231,000 is from the Y. Have a resolution from Area Y Board to fund that amount; has provided documentation of paid expenditures with draw requests. 4. Compliance forms were sent 2/18/2018, and received May 8. 5. MBE participation is 28 percent. 6. Received pay request 3 in July. One final draw request will be submitted. 7. SDF obtained statement from Camp Curtin that OK to remit IH funds to Area Y. 8. AMB sent close out audit form and requested status of final draw. 9. SDF sent grant extension amendment to Camp Curtin; awaiting signature. 10. The project is complete; awaiting submission of final draw.
Capital Region Water Parks and Rec (\$250,000)	Started		<ol style="list-style-type: none"> 1. Forms sent. Project was rebid due to lack of responses. 2. Received MBE plan and copies of bids for Cloverly Heights and Royal Terrace. 3. Held a call in May 2018 and added Alesha Vonada/AV to SF to upload info; Alesha is the CRW grant coordinator for this project. 4. Larry Segal/LS met with AV in August 2018 to discuss status and docs needed. AV is gathering further information needed to draw IH funds. 5. Ribbon cutting was held in early September 2018. AV wants to prepare the IH compliance materials and draw forms in October. The Team will assist as needed. 6. The Team met on Dec. 4 to discuss documentation needed and the draw process. CRW is preparing compliance documentation and draw requests for the completed Royal Terrace and Cloverly projects. The 4th and Dauphin project will not be completed until early 2019. 7. The City is the grantee; discuss signature authority.
Capital Region Water multi-modal (\$2,743,645.25)	See City multimodal.		<ol style="list-style-type: none"> 1. See City multimodal. 2. LS met with Alesha Vonada about the IH grant for this project. The Team will meet with Grantee to discuss. 3. CRW committed \$756,782.70 additional IH funds to the Third Street project for Change Order 1. 4. CRW has now committed \$2,704,585.70 of its \$2,743,645.25 IH grant to the Third Street project, leaving a balance of \$39,059.55 in IH grant funds for the multimodal project.

<p>City of Harrisburg multi-modal (\$2,743,645.25)</p>	<p>Phase I Started - Third Street project</p>	<p>Draw request #8 received</p>	<ol style="list-style-type: none"> 1. Received executed construction contract for Third Street project, bonds, and insurance. 2. Both the city and CRW sign each draw request. 3. Phase I match is less than 50%, which will be made up in later phases. 4. The city grant manager, Rebecca Vollmer/RV, has provided much documentation. Discussed with Rebecca that the city may request Board to approve direct pay to contractor for upcoming work. 5. Phase I project is 31% complete as of December 6, 2018. Paving on Third St project may not start until spring 2019; anticipated completion is October 2019. 6. Through draw #7, the city has requested \$1,122,000 of its IH funds, and CRW has requested \$652,053 of its IH funds. 7. Team meeting was held on 10/23 to discuss change order 1, schedule, and sources/uses for remainder of Third Street project. Discussed source of additional funds, documentation of funds, and schedule may be 18 days behind. 8. Received copy of Change Order 1 in the amount of \$987,036 for redesign per CRW request. Rec'd letter from CRW's attorney committing \$756,782.70 in CRW IH funds to pay for the CO. The city will commit \$230,253.61 for the CO. The city also paid for CO2 in the amount of \$5,329.30. 9. After draw 8 (under review), approximately \$1.13 million remains in IH funds for the Third Street project. 10. The other two phases will start in 2019.
<p>Community First Fund (\$350,000)</p>	<p>NA</p>		<ol style="list-style-type: none"> 1. Received executed partnership agreement with CFF, dated 3/20/2018. 2. Board discussed requirements and process. CFF worked with CREDC to establish a borrower education portal. 3. SDF met with CFF on 7/6/18. She received an update (6/30/18 quarterly report) and a copy of account statement. 4. Glenda attended the September 2018 board meeting to provide additional details about the program. Refer to the September board minutes. 5. Received quarterly report as of 12/31/2018. CFF has executed four loans at a total of \$100,00. A representative from CFF will attend the February 2019 board meeting.

<p>East Shore YMCA (\$138,592)</p>	<p>Started</p>	<p>Draw request #1 received</p>	<ol style="list-style-type: none"> 1. IH Board approved using \$111,297 in completed work on men's dormitory as match. Documentation of \$90,000 match has been provided, with \$48,592 remaining to be submitted for review. 2. The Y will provide funds needed to match the IH grant. Received email from ESY stating concurrence with IH issuing checks to Area Y. 3. The IH façade work was bid and the project started the week of 4/16/18; this work is complete in the amount of \$34,680. Received payrolls, which are in compliance. This was reviewed for draw #1. 4. AMB and LS had a call with the Y director on 7/6/2018. IH work of roofing and painting windows was done in the fall 2018. Work is completed in the amount of \$54,666. This is less than projected. There remains \$49,246 of the IH grant that has not been committed. 5. Note that the roofing work was bid separately and only amounted to \$6,446 and prevailing wage may not have been paid because the contract was below the \$25,000 threshold. We discussed prevailing wage for the overall and individual project contracts. The Team discussed that ESY assumes the risk concerning payment of PA prevailing wage. 6. ESY is proposing potential projects to use the remaining IH funds: indoor bike rack installation; upgrade to camera system; and dorm bathroom renovation. ESY has met with contractors and is awaiting proposals. ESY will submit a formal proposal to the IH Board soon. Additional work is expected to be completed in 60 days from contract award. 7. The Team discussed plans for MBE compliance, and Camp Curtin will provide input.
<p>Gamut Theatre Group--Educ. Ctr (\$250,000)</p>	<p>Started</p>	<p>Draw #2 under review</p>	<ol style="list-style-type: none"> 1. The Board approved the use of IH funds for project soft costs. Scope of project remains the same, but use of IH funds has changed to soft costs - general conditions/supervision and equipment. 2. Note that WBE participation is \$6,000 on \$500,000 project; the project is not paying PA Prevailing Wage on hard construction, and the IH project was not bid and requests a waiver. Note that due to the complexity of the building, Gamut awarded the Phase II contract to the Phase I contractor. 3. AMB sent closeout audit form to Gamut and requested status of final draw. Gamut advised additional work remains to be completed. 4. Draw #2 submitted on 1/24/2019. The Team had questions and is awaiting response. There should be one final draw (#3).

<p>Harrisburg Redevelopment Authority (\$500,000)</p>	<p>Started</p>	<p>Draw #1 being prepared</p>	<ol style="list-style-type: none"> 1. The project provided some documentation on 7/13/18, which is under review. 2. AMB and LS held a call on 7/20/2018 with HRA. IH grant application was for a \$650,000 project, with \$500,000 IH grant and \$150,000 match from city expenditures. Match of 3:1 is typically required for a \$500,000 grant. Board approved in concept the use of \$500,000 in city demolition expenses as match, and the Finance Committee reviewed the request about the acquired properties as match. 3. The county has sold some of the properties that were listed for acquisition in the grant agreement. HRA provided a new list of 61 acquired properties. Draw request 1 is under review (February 2019). 4. Draw 1 will be for acquisition and closing costs of acquired properties. 5. Confirm HRA paid prevailing wage for demo work. 6. HRA has MBE firms that they send RFPs to, and works with the city as well to send RFPs to the city's database of MBE firms. Include MBE requirement in RFP. No MBE documentation was provided. 7. SDF will follow up on the required amount of match for the IH grant.
<p>Salvation Army of Harrisburg (\$500,000)</p>	<p>Started</p>		<ol style="list-style-type: none"> 1. SA received a \$500,000 RACP grant, which is less than the \$4.5 million requested. On 4/6/18, SA attended the Finance Committee meeting. Received commitment of \$5 million NMTC funds from CFF. 2. The project wants to maintain the overall scope of a \$12 million project. SA proposed a modified scope for the IH project for site work only. The IH Board approved the request for a modified scope. The grant amendment was signed by SA and now needs IH signatures. 3. Finalizing bids, permits, plan approvals. Identified confirmed sources and uses of funds; fundraising ongoing. 4. Pyramid Construction is the CM at risk. The Team held a call with Pyramid on 5/9/18 to discuss scope, prevailing wage, MBE participation, etc. Pyramid is identifying elements for MBE participation, and looks for opportunities to partner MBEs with larger contractors as well. 5. The site work will take place predominately in Sept-Nov 2018, approximately 3/4 of the work, with remainder of site work in fall of 2019. 6. Held a call on 8/27/2018 with rep from Delta Development. Sitework began in September 2018 with excavation and footers. The site work total is \$1.3M, and is part of a larger \$12 million project. The IH project must be at least \$2 million to meet required match, and SA wants to use the building as match. The project is being phased between site improvements and vertical construction. The project is paying PA Prevailing Wage on the first phase, which includes the IH work. AMB/LS explained that IH needs to see complete funding in place for the entire project. 7. AMB and LS held call with Delta rep for status on 10/12/2018. Construction site work is underway; footers are in. As of 1/9/2019, Delta is gathering compliance documentation, including match, cash flow, details of bid process, payrolls, and contracts, and hopes to submit first draw request at the end of February 2019.

			<p>8. The Team held a call with SA in November to discuss MBE participation. SA met with SDF and Brian Hudson on 11/16/2018 to discuss MBE outreach. SA prepared a survey to send to DBE contractors that did not respond to the invitation to bid.</p> <p>9. As of 1/15/19, the overall project is 25% complete, and the site work is 38% complete.</p>
Tri-County Community Action (\$204,759)	Started		<p>1. Expected to start in early 2018 - April/May but now looking at January 2019 bid and March 2019 start. Tri-County issued RFP for facade work in August 2018 but did not get the bids they needed.</p> <p>2. Conference calls held on 1/30/2018, 5/14/2018, and 8/1/2018. Discussed sources and uses, D/MBE, bidding, prevailing wage, draw requests, and required documentation to demonstrate staff and volunteer hours as match.</p> <p>3. CRW is providing assistance and some of CAC work will be part of larger contract bid by CRW.</p> <p>4. AMB emailed for status on 10/10/18. CAC held workshop with CRW for contractors on 10/16/18 to discuss the project and hopefully get more responsive bids and MBE participation.</p> <p>5. Expecting bids for the facade project - January 2019 and start in March 2019. Weather permitting, the project should start in March.</p>
Tri-County HDC (\$350,000)	Started	Draw #4 received	<p>1. July 2018 - project filled funding gap of \$74,200 with money from the city, and began work on 235 and 245 Hummel Street. Held call with the project on 5/11/18; LS met with on 8/1/2018. Project provided bids, contracts, etc.</p> <p>2. Have commitment letter but not executed grant agreement with the city for \$74,000. No city funds received to date. IH Board wants project to keep moving forward.</p> <p>3. Submitted draws #2-#4. Project should be complete in March 2019.</p> <p>4. Board approved lien waivers and acceptable documentation of \$309,000 match expenses, which included notarized affidavit.</p> <p>5. The Finance Committee approved project management fee.</p> <p>6. 235 renovations completed. 245 is 98% complete. Need lead clearance for 245, and Certificates of Occupancy for both houses.</p> <p>7. Project was delayed due to funding issue and plumbing issue. New completion date is March 31, 2019.</p> <p>8. Discuss timing of receipt of city funds and drawdown of IH funds, and possible retainage.</p>
City of Harrisburg--software purchase (\$250,000)	Completed	Yes	Project is complete.
Harrisburg River Rescue (\$81,369)	Completed	Yes	Project is complete.
Paxton Place (\$100,000)	Completed	Yes	Project is complete; three draw requests submitted, with \$3,188.53 unused.
TLC Constr./Hamilton Healthcare Bldg. (\$500,000)	Completed	Yes	Project is complete.
WebpageFX (\$500,000)	Completed	Yes	Project is complete.

* AMB is sending the Board-approved closeout audit form to all Grantees as projects near completion. To date, sent to Camp Curtin, **City Software Purchase**, Gamut Theatre, Harrisburg River Rescue, **Paxton Place**, TLC, and **Webpage FX**. Bold indicates completed form was received.

Ms. Byrnes developed a closeout spreadsheet for reporting on each project. A closeout report has been received from Paxton Ministries, City of Harrisburg Microsoft Office 365, and WebPage FX.

Executive Director Dow-Ford reminded the Board that Milligan & Company's contract expires April 30, 2019.

A Finance Committee meeting is scheduled for Tuesday, March 12, 2019 at 2:00 PM at the Pennsylvania Housing Finance Agency.

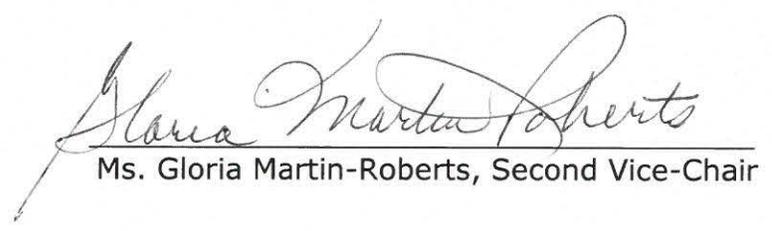
There being no further business to discuss, the Chair adjourned the meeting at 12:42 p.m.

Meeting minutes were taken by Recording Secretary, Anne Morrow.

The next Board meeting is scheduled for March 19, 2019 at 10:30 a.m. at the Camp Curtin YMCA, 2135 North 6th Street, Harrisburg, PA.

Approved this 19th day of March 2019.


Mr. Neil Grover, Chair


Ms. Gloria Martin-Roberts, Second Vice-Chair