MINUTES
PROJECT DEVELOPMENT COMMITTEE MEETING
Friday, June 17, 2016 – 10:00 am
Authority Conference Room, 4th Floor
Dulles State Office Building, Watertown, New York

The Development Authority of the North Country Project Development Committee met in regular session in the Authority Conference Room, 4th Floor, Dulles State Office Building, Watertown, New York on Friday, June 17, 2016.

Committee Members Present
Thomas Hefferon
Margaret Murray
Mary Doheny
James Hollenbeck

Committee Members Absent
Alex MacKinnon, Chairman
Gary Turck, BOD Chairman
Stephen Hunt

Staff Present
James Wright, Executive Director
Michelle Capone, Director, Regional Development
Jo Anne Yaddow, Executive Assistant

1. Acting Chairman Hefferon opened the meeting at 10:06 am and turned the meeting over to M. Capone. M. Capone stated the meeting was convened to review the loan portfolio in detail.

2. Housing Revolving Loan Fund – All loans are current. This fund is reconciled monthly to the General Ledger, using PIDC software (since 2004).

   M. Doheny asked if New York State and Authority funds are used. M. Capone responded yes.

3. Affordable Rental Housing Program – M. Capone noted this program is typically used for low income housing projects. All projects are affordable and, historically, tax credits were used. Total Cash Balance in the Fund is $4.8 million and is split between two investment accounts.

   - Black River Apartments – refinancing of seven Section 8 projects.
   - Maple Green Apartments (Maple Courts) - closed but not funded.
   - Gouverneur Senior Housing is in arrears as they lost a tenant and their cash flow has decreased. There is a meeting in upcoming weeks to discuss this.
   - Harbor View - closing date of 1993 and has a deferred loan for elevator work. They received money from New York State and the loan cannot be written off. There is no repayment obligation.
M. Murray asked what the payment is for Gouverneur Senior Housing. M. Capone stated it is $17,415.53 annually.

M. Capone noted that North Country Rural Preservation is past due. M. Capone explained that the payment date should have been tied to their HUD payments. The Committee discussed the possibility of modifying loan payment dates to match the HUD payments, which would require Board approval. Committee consensus was this is a good idea.

M. Doheny asked if default fees are charged. M. Capone stated no. M. Doheny asked about Strawberry Lane’s insufficient funds note on the report. M. Capone stated they inadvertently made a payment that was not approved by HUD. Payment isn’t expected until October and the check was returned to them.

Staff will recommend changing payment dates for North Country Rural Preservation and Strawberry Lane to reflect when they traditionally pay per regulating agencies.

4. Community Rental Housing Program is the newest housing program and is comprised of New York State funds ($9 mil

J. Wright asked if early repayment to the County is something that should be considered. M. Capone responded there is no obligation as long as CRHP is making loans. M. Capone stated there should be a review of where the funds were allocated. T. Hefferon asked what the current balances are and stated he does not have any issue with paying Jefferson County since they are a partner. M. Capone stated that early loan pay-offs from Eagle Ridge and Morgan Townhouses were unexpected.

M. Murray asked if all these projects, other than COR and Mercy, are located in Jefferson County and are already built. M. Capone answered yes. M. Murray asked if there is a problem with Beaver Meadows. M. Capone stated no, but it has stimulated competition. J. Wright stated part of what is encountered with Beaver Meadows and Creek Wood is that they hire management firms to manage their property with varying results. However, once the problem is identified, and property managers are changed, it takes time for improvements to be noted. J. Wright stated that anyone with rental property thinks there are too many rentals available while potential renters think there are not enough rentals on the market. It is a matter of getting to a steady and balanced state. M. Capone stated the focus has been on Section 8 rehab projects since they are for low income populations and outside source investments funneled into these communities helps the situation. T. Hefferon asked if rents include utilities. M. Capone responded she didn’t know but that HUD supplements or pays rents if there is no income. T. Hefferon asked if the Mercy project includes affordable housing. J. Wright stated yes, along with commercial development. M. Capone stated they aren’t based on percentage of income. J. Wright stated there are two different programs and when COR talks about 80/20, it means that 80 will be market-based and 20 percent will be affordable. T. Hefferon stated the JCC community survey results for Downtown Watertown are disappointing. J. Wright stated that the survey is not canvassed from the Downtown population but from those located outside the City. Issues are related to traffic congestion and not enough available parking.
5. Community Development Loan Fund – This is a business program and was created with New York State funds. There aren’t as many loans out of this program due to the Comptrollers Report that no additional loans would be made for private industry. Farmland Drainage and Value Added Agriculture loans are included in this fund. The funds were capitalized in 2000 with New York State funds and $50,000 from the Development Authority. The Program has never had a loan default. M. Capone noted that Value Added Agriculture loans are maple producers with the exception of Agbotics.

- Blevins Apartments’ balance of 12 cents was written off
- Roth Industries is paid off.

6. Executive Session – M. Capone suggested that the Committee go into Executive Session to discuss loans that are past due.

    Upon a motion by M. Murray, and seconded by M. Doheny, the Committee went into Executive Session to discuss “The medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation.”

Acting Chairman T. Hefferon stated no action was taken during Executive Session.

7. North Country Value Added Agriculture Fund – Golden Technology Management is current and is currently the only loan in this program.

M. Doheny asked if the Development Authority would revisit the State Comptroller’s mandate. J. Wright stated there is no way to revisit this issue and that there has been success with regional funds being used. M. Capone stated there are bridge funds available to use.

8. North Country Redevelopment Loan Fund is the newest program. There is currently no activity; however, two loans will be brought before the Board on June 23.


- Carthage Specialty Paper is two months, not three months, past due
- All other loans are current

10. M. Capone stated a review of the loan portfolio could be scheduled annually if the Committee found it useful. M. Capone requested, and it was agreed, that T. Hefferon report the PDC discussions at the Board Meeting on June 23.

11. Upon a motion by M. Doheny, and seconded by M. Murray, the meeting adjourned at 11:30 am.

Respectfully submitted,

Thomas Hefferon
Acting Chairman, Project Development Committee