

Pennsylvania Community Development Bank
Operational Committee Meeting
May 19, 2010

A meeting of the Pennsylvania Community Development Bank Operational Committee Meeting was held on May 19, 2010 after proper notice was given pursuant to the terms of the Act of July 3, 1986 (the "Sunshine Act"). The meeting was held in Commonwealth Keystone Building, 400 North Street, Hearing Room #3, Harrisburg, Pennsylvania. Stephen Drizos called the meeting to order at 9:30 a.m.

The following Operational Committee members were present: The Honorable Dorothy Kaplan; John Raymond for the Honorable Jay Costa; and Kevin Pyle, for the Honorable Steven Kaplan.

The following Operational Committee members were present via telephone: Ned Dempsey, for the Honorable Robert M. McCord; the Honorable Jaret Gibbons; the Honorable Jim Marshall; Raymond Davis; Ricardo Savido; Michael Martin; Howard Slaughter; Gregg Aversa; Livia Smith; Richard Jones and John Noone.

The following DCED staff members were present; Steve Drizos, Executive Director, Center for Private Financing; Carol Longwell, Esq., Aldona Kartorie, Center for Community Development; Office of Chief Counsel; Craig Petrasic, Center for Private Financing; and Melanie Clark, Center for Private Financing.

Mr. Drizos welcomed everyone to the meeting.

It was moved by Mr. Pyle and seconded by Mr. Dempsey that the Board approve the Minutes of January 20, 2010. The motion was carried.

REQUEST FOR GRANT EXTENSION – THE REINVESTMENT FUND

Ms. Kartorie stated, "The Reinvestment Fund is under contract with us for a Pennsylvania Community Development Bank expansion grant in the amount of \$100,000. The contract is due to expire in August of 2010. They are asking for a one year extension since they haven't met their goals. In addition to that, they are also asking that we allow them to use our funds in conjunction with new market tax credits. In addition, they are asking to be able to spend the money statewide. They want to take advantage of the new market tax credits that they have allocated to them. They would like to expand it further than the Philadelphia area to wherever the need is. They would coordinate with other areas in the state."

Mr. Drizos stated, "It has been reviewed by staff and we are recommending a positive vote. They would coordinate with other CDFI's in the state."

Ms. Kartorie stated, "We do encourage them to loan to smaller businesses in smaller amounts."

Mr. Noone stated, “We have to make sure that one developer doesn’t come in and scoop a lot of tax credit at one time.”

Ms. Kartorie stated, “We could put something in there that would encourage them. I would hate to limit them to a loan amount only because the economy is slow and to see that money lay dormant waiting for three or four investors to come along if they only have one investor. We could put something in that encourages them to split the money up and loan to smaller investors.”

Ms. Longwell stated, “We could put that in part of the contract. That would not be a problem.”

Mr. Drizos stated, “Carol will take care of that on the contract side.”

It was moved by Mr. Noone and seconded by Mr. Dempsey that the Board approve the recommendation for a grant extension for The Reinvestment Fund. The motion carried.

Mr. Raymond asked, “Was there a reason why they were only in Philadelphia to start with?”

Mr. Drizos, stated “Going back to the history of the organization they expanded. They are the largest CDFI in the country.”

It was moved by Mr. Dempsey and seconded by Mr. Martin to approve the extension. The motion carried.

ADJOURNMENT

There being no further business, the meeting adourned.