

Correspondence: Roth, Eugene 1973 March 28
-1973 June 18th

March 28, 1973

Dear Gene:

For your information. I should have gotten this to you before, but I have been away a great deal.

Sincerely,

Eugene Roth, Esquire
Blue Cross Building
Wilkes-Barre, Pa. 18701

P.S. I think Harold will want to see this letter and I would suggest that you show it to him immediately because of his problems with the Colonial Housing Development.

Similar letter and enclosure sent to Betty Schecter



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
COMMUNITY DEVELOPMENT DISASTER RECOVERY OFFICE
LACKAWANNA COUNTY BUILDING
SPRUCE AND ADAMS AVE.
SCRANTON, PA. 18503
February 28, 1973

Judge Max Rosenn
197 South Main Street
Wilkes-Barre, Pennsylvania 18702

Dear Judge Rosenn:

It was a pleasure to meet with you and other members of the Flood Recovery Task Force on Wednesday, February 14th.

At the meeting the question of the June 30th funding deadline was asked, and I responded, on the basis of the information then available to me, that the June 30th deadline related to a statutory requirement. I have since been informed that the June 30th mandate is based, rather, upon the President's budget for HUD which anticipates the expenditure of all appropriated urban renewal funds by June 30th, 1973. This is a budgetary rather than a statutory mandate, but it is one which HUD has no authority to alter.

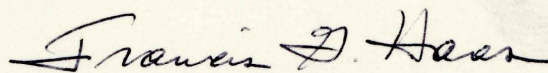
Concerning the desirability of rehabilitating housing acquired by the Redevelopment Authority, there are various ways in which this could be accomplished. However, such proposals are in a sense self-limiting, since an economic feasibility test would apply, and the acquisition standards used by the Wilkes-Barre Redevelopment Authority would probably make rehabilitation economically infeasible if it were to be carried out either by the Redevelopment Authority directly, by the Housing Authority, or by a private entrepreneur. Individual cases should, of course, be tested with the Redevelopment Authority. Any properties acquired for resale for rehabilitation purposes would have to be resold at fair value in accordance with the provisions of Federal law.

Mr. Rose kindly sent to me a copy of a letter from Attorney Eugene Roth dealing with possible hardship situations which would be suffered under certain circumstances by recipients of SBA loans. Our understanding is that SBA will handle such cases on an individual basis. A substitution of property is possible which would result in the entire mortgage debt being transferred to the new property and carried at 1% interest.

Some relief to such cases also can be provided through the housing replacement payment, in an amount not to exceed \$15,000, which can be paid to an urban renewal displacee. I have consulted counsel in my office, and it does not appear that we can exceed the normally-calculated replacement payment for the purpose of reducing the total indebtedness of the person whose property is being acquired. In other words, we cannot increase the amount of the replacement housing payment to allow for the fact that the property being acquired has been repaired with an SBA loan which has become an additional financial burden to the owner. Such payment is based on the difference between the acquisition cost of a dwelling acquired for an urban renewal project and the reasonable cost to the displacee of acquiring a comparable replacement dwelling.

I trust the above is responsive to the questions we discussed. If you have any additional questions we are prepared to attempt to answer them to our fullest ability. In view of the direct involvement of the Wilkes-Barre and Luzerne County Redevelopment Authorities I have sent them copies of this letter.

Sincerely,



Francis G. Haas
Director

7 find RTF - Hest plan

LAW OFFICES

ROSENN, JENKINS & GREENWALD

SUITE 1000 BLUE CROSS BUILDING
WILKES-BARRE, PENNSYLVANIA 18711

TELEPHONE
829-0511

AREA CODE
717

May 29, 1973

MITCHELL JENKINS
COUNSEL TO THE FIRM

FRANK G. HARRISON
OF COUNSEL

HENRY GREENWALD
HAROLD ROSENN
JOSEPH J. SAVITZ
PERRY J. SHERTZ
EUGENE ROTH
HARRY R. HISCOX
DAVID E. KOFF
DANIEL G. FLANNERY
MARSHALL S. JACOBSON
MURRAY UFBERG
R. JOEL WEISS
PETER J. HOEGEN, JR.
BRUCE C. ROSENTHAL
KEITH S. ROSENN
A. MICHAEL GREENWALD
G. JONATHAN GREENWALD

F. Ross Crumlish, Esq.
2040 P. S. F. S. Building
12 South 12th Street
Philadelphia, Pennsylvania 19107

Dear Ross:

I have enclosed a copy of a letter dated May 18, 1973 from Grant Irely to Don McFadden, together with a proof of claim which I've executed on behalf of the City of Wilkes-Barre Industrial Development Authority. If you find that the proof of claim is proper, and that it ought to be in fact filed by the Authority rather than the Commonwealth, please be kind enough to forward it to Grant.

There was considerable discussion among the members of the Board of the Authority at its last meeting regarding the proof of claim, and particularly with regard to the entity which should be making the claim, with the resolution being that the final decision be yours.

You will recall having received a copy of Grant's letter of May 21st which was addressed to me and Messrs. Biscontini and Shaffer. As a consequence of his letter, I spoke to Charles Shaffer on May 25th and learned that the United Penn Bank was in fact exploring the possibility of a loan to some private individuals who were interested in taking over the Steam Heat Company but that no final commitment had yet been given. Mr. Shaffer, working with Mr. Moss of the Bank, resolved that unless the bank was sufficiently satisfied with the financial responsibility of the group within the next few days that they, Messrs. Shaffer and Moss, would contact the consumers for the purpose of having them attend a meeting at which time problems regarding the Steam Heat Company will be presented and their action with regard to the formation of an entity to assume the operations of the Company urged.

Unless you have some other recommendations, I can see nothing

ROSENN, JENKINS & GREENWALD

F. Ross Crumlish, Esq.

-2-

May 29, 1973

further to be done at this time. Whether or not you will be asked to assist in any of the efforts which might result from a consumers group will remain to be seen and evaluated at the appropriate time. Under the circumstances, I would think that you ought to be present when that meeting is held, if it is, it being my understanding that Grant and Wilder Lucas will also be invited.

I will keep you advised.

Sincerely,

EUGENE ROTH

ER:mk

Enclosures

cc: Donald D. McFadden, Esq.
J. Campbell Collins, Esq.
I. Grant Ireys, Jr., Esq.

LAW OFFICES
ROSENN, JENKINS & GREENWALD

SUITE 1000 BLUE CROSS BUILDING
WILKES-BARRE, PENNSYLVANIA 18711

HENRY GREENWALD
HAROLD ROSENN
JOSEPH J. SAVITZ
PERRY J. SHERTZ
EUGENE ROTH
HARRY R. HISCOX
DAVID E. KOFF
DANIEL G. FLANNERY
MARSHALL S. JACOBSON
MURRAY UFBERG
R. JOEL WEISS
PETER J. HOEGEN, JR.
BRUCE C. ROSENTHAL
KEITH S. ROSENN
A. MICHAEL GREENWALD
G. JONATHAN GREENWALD

TELEPHONE
829-0511

AREA CODE
717

June 28, 1973

MITCHELL JENKINS
COUNSEL TO THE FIRM

FRANK G. HARRISON
OF COUNSEL

To: Bernard Gallagher, Andrew Shaw and Edgar Lashford

From: Eugene Roth

Re: Wilkes-Barre Steam Heat Company

Gentlemen:

Attorney Crumlish, who has been representing Wilkes-Barre's interests in the steam heat matter, has kept me informed regarding the bankruptcy proceedings and related matters.

Mr. Crumlish has just provided me with a copy of certain documents filed on behalf of the Receivers relative to a hearing scheduled for July 5, 1973, wherein the bankruptcy court will resolve whether or not the Receivers may continue to incur expenses for the operations of the steam heat facilities, both in Wilkes-Barre and elsewhere, for a period not to exceed sixty days from June 18, 1973.

Without now speculating whether or not the bankruptcy court will issue an order in accordance with the request of the Receivers, though I would expect it would, the fact remains that some action is going to be required if heat is to be available for downtown Wilkes-Barre this fall.

My concern is that apparently no one has assumed or is prepared to assume the responsibility for organizing the effort necessary to assure steam heat service in Wilkes-Barre. Charles Shaffer, one of the counsel for the Wilkes-Barre Steam Heat Company creditors committee, has been exploring various possibilities. However, as of my discussion with him on June 26th, nothing of a concrete nature has yet been initiated let alone resolved.

It may very well be that events which I am unaware of are presently occurring which, if known, would dispel my concern. Nonetheless, someone must assume the responsibility of developing and seeing to the

ROSENN, JENKINS & GREENWALD

Bernard Gallagher, Andrew Shaw and Edgar Lashford

Page 2

June 28, 1973

implementation of a plan without further delay. My personal interest evolves from my membership on the Board of the City of Wilkes-Barre Industrial Authority and its original assistance to the Commonwealth of Pennsylvania in the funding of the restoration of the local steam heat facility. Our Authority, however, is not in a position to undertake the burdens and responsibilities now required.

I would urge that each of you be in communication with one another for the purpose of exploring this problem as promptly as possible. Mr. Crumlish has assured me that he would make himself available, upon reasonable notice, as I'm sure would Messrs. Ireys, Shaffer and McFadden, to attend a meeting and render whatever guidance and counsel might be required.

cc: F. Ross Crumlish, Esq.
J. Campbell Collins, Esq.
Manuel S. Whitman
Andrew J. Sordani III
Charles A. Shaffer, Esq.
Donald D. McFadden, Esq.
bcc: The Honorable Max Rosenn

7R TV

LAW OFFICES

ROSENN, JENKINS & GREENWALD

SUITE 1000 BLUE CROSS BUILDING
WILKES-BARRE, PENNSYLVANIA 18711

TELEPHONE
829-0511

AREA CODE
717

June 18, 1973

MITCHELL JENKINS
COUNSEL TO THE FIRM

FRANK G. HARRISON
OF COUNSEL

HENRY GREENWALD
HAROLD ROSENN
JOSEPH J. SAVITZ
PERRY J. SHERTZ
EUGENE ROTH
HARRY R. HISCOX
DAVID E. KOFF
DANIEL G. FLANNERY
MARSHALL S. JACOBSON
MURRAY UFBERG
R. JOEL WEISS
PETER J. HOEGEN, JR.
BRUCE C. ROSENTHAL
KEITH S. ROSENN
A. MICHAEL GREENWALD
G. JONATHAN GREENWALD

Donald D. McFadden, Esq.
Flanagan, Doran, Biscontini & Shaffer
IBE Building
Wilkes-Barre, Pennsylvania 18701

Re: Wilkes-Barre Steam Heat Company

Dear Don:

You have my letter of May 29th to Ross Crumlish reciting the reservations the Industrial Development Authority Board had with regard to the Proof of Claim you prepared at the request of Grant Irely.

Ross Crumlish has now furnished me with a copy of a Proof of Claim which he prepared for the signature of Walter G. Arader on behalf of the Commonwealth as an unsecured creditor. This is obviously consistent with Campbell's and my contention and, I believe, should resolve all of our concerns.

Since the Proof is to be signed by Secretary Arader, I see nothing further for the IDA to do at this time with reference to the claim.

I have been in touch with Charlie Shaffer regarding the United Penn's decision to finance the private individuals interested in acquiring the local Steam Heat Company and the calling of a meeting of consumers in lieu thereof. It is my understanding that no final decision has yet been made by the bank, though I have urged Charlie to pursue his discussions with Chuck Moss so as to avoid any continued delay.

Sincerely,

EUGENE ROTH

ER:mk

cc: J. Campbell Collins, Esq.

Manuel S. Whitman

F. Ross Crumlish, Esq.

bcc: The Honorable Max Rosenn ✓

5012
100-205-5555
100-205-5555
100-205-5555
100-205-5555