

**CITY OF BUFFALO URBAN RENEWAL AGENCY
LOAN COMMITTEE MEETING MINUTES
April 17, 2012 Meeting**

Roll Call

Members Present

Commissioner Janet Penksa
Brendan Mehaffy, BURA
Timothy Ball, Corporation Counsel

Staff Present

Scott C. Billman
Yvonne McCray
Greta Mobley
Risë Geller
Greg Lindquist

Mr. Mehaffy called the meeting to order at 3:40 pm. Corporation Counsel Ball the motion to waive the reading of the minutes for the March 1, 2012 meeting, and that they are accepted; seconded by Commissioner Penksa and carried unanimously.

3.0 New Business

Amended Meeting Minutes of the Feb 2, 9, and 14, 2012 Loan Committee Meeting:

Commissioner Penksa made the motion to accept and waive the reading of the revised minutes from the February, 2nd, 9th and 14th 2012 loan committee meeting, and that they are accepted; seconded by Corporation Counsel Ball and carried unanimously.

Housing Division Action Loan Cases were presented by Yvonne McCray Director of Housing:

43 Elmer - Request for forgiveness and loan restructuring

Owner of 43 Elmer is no longer able to live alone and will be moving into assisted living during the week but will come home on the weekends and her daughter will take care of her. Homeowner will bring the loan current and is seeking to restructure the balance owing to settle the account. Since the property will no longer meet the "primary residence" standard for the owner her daughter has requested that her mother be granted credit for the five years of compliance with the occupancy requirement and that the deferred balance due be reduced. The daughter will then pay the balance owing at terms established by the committee and does not meet the low income criteria for the program. Division of Housing Loan Review Committee recommends to accept the proposal by home owners daughter to repay the full \$2,688 Principal Balance due and grant her mother credit for five years occupancy and reduce the Deferred balance due by 50%. The revised deferred balance due of \$4,031.00 may be paid immediately or when the property is sold.

Corporation Counsel Timothy Ball made a motion to table this item, seconded by Commissioner Janet Penksa and carried unanimously.

51 Briggs - Request for waiver of the one year ownership requirement for the emergency program

Homeowner purchased the property for \$35,000 in 2011 from her brother who inherited it from his mother in 2001. The property has been owned by the family since 1954 BRRNHS is requesting a waiver of the one year ownership requirement to allow this long-time resident to participate in the Emergency Roof Repair program. The Division of Housing Loan Review Committee recommends approval of the request to waive the one year ownership requirement based on home owner's long term occupancy of the property.

Commissioner Janet Penksa made a motion to approve the waiver of the one year ownership requirement seconded by Corporation Counsel Timothy Ball and carried unanimously.

151 Selkirk Request for waiver of the one year ownership requirement for the emergency program.

The homeowners have passed away and their son has been living in the property since 1992. His siblings have stated that they will not contest a transfer of title to their brother as sole owner. The Matt Urban Center is seeking a waiver of the one year ownership requirement to allow the son to participate in the emergency roofing program following the change of ownership. Division of Housing Loan Review Committee recommends approval of the request to waive the one year ownership requirement based on the long term occupancy of the property. The family must settle the estate and transfer sole ownership to their family member. All other program guidelines apply.

Corporation Counsel Timothy Ball made a motion to approve the waiver of the one year ownership requirement seconded by Commissioner Janet Penksa and carried unanimously.

100 Fougerson Request for waiver of the one year ownership requirement for the emergency program.

Home owner previously had a land contract with the prior owner, and has recently received her new deed granting her title to the property. Homeowner is requesting a waiver of the one year ownership requirement to allow her to participate in the emergency roof repair program. Erie County DSS claims a lien of \$11,430.33 for assistance provided her dating back to 2004. The Division of Housing Loan Review Committee recommends approval of this request based on homeowner's long term occupancy of the property.

Corporation Counsel Timothy Ball made a motion to table this item, seconded by Commissioner Janet Penksa and carried unanimously.

Corporation Counsel Timothy Ball made a motion to reconsider this item, seconded by Commissioner Janet Penksa and carried unanimously.

Corporation Counsel Timothy Ball made a motion to approve the waiver of the one year ownership requirement seconded by Commissioner Janet Penksa and carried unanimously

413 Cornwall Request for permission to apply for assistance

Home owner has declared bankruptcy and defaulted on the BNRC loan. It was explained to the homeowner that due to the prior default we would be unable to assist her with repairs to her home. Outstanding balance in full and the homeowner is seeking permission to apply to the emergency roofing program. The Division of Housing Loan Review Committee recommends denial of this request and the provision of additional assistance based on the prior BNRC loan default.

Counsel Timothy Ball made a motion to deny a request for restructuring, seconded by Corporation Commissioner Janet Penksa and carried unanimously.

2270 South Park Request for Early Discharge

Homeowner would like to consolidate the three mortgages filed before the BURA mortgage in order to decrease her overall interest rate. The new mortgage will total approximately \$47,000 including closing costs and will settle a balance of \$29,900 due on the original mortgage as well as a HELOC with a balance of approximately \$10,000, Homeowner would also like to pay the remaining balance on the BURA principal part of the loan in exchange for an early discharge. Her new lender will not permit subordination of the BURA loan to a new loan. Division of Housing Loan Review Committee recommends approval of this request as conditioned, accept payment of the principal balance and discharge the original loan to facilitate the refinance, and to restructure the deferred balance as a new Very Low Deferred Loan with a separate mortgage filing.

Corporation Counsel Timothy Ball made a motion to table this item to get more information, seconded by Commissioner Janet Penksa and carried unanimously.

1564 Jefferson - Request for Discharge

Original homeowner transferred title to her daughter following the closing on the BURA loan. The daughter was not a resident of the property at the time of the transfer and did not notify BURA that she was the new owner. The mother and daughter are now deceased. The husband of the homeowner is seeking a discharge so that he can settle the estate. The Division of Housing Loan Review Committee recommends discharge the loan without requiring payment of the deferred balance due based on the eligibility of the daughter to assume the loan following the death of her mother.

Mr. Mehaffy made a motion to approve the discharge of the loan seconded by Corporation Counsel Timothy Ball and approved by a vote of 2-0 with an abstention by Commissioner Janet Penksa.

227 Gold - Request for Continued Forbearance pending sale of the property

Homeowner has been unable to make payments as scheduled due to other expenses due on the property. The PITI payments are approximately \$600/month and homeowner notes that all three of the apartments were never rented at the same time. The first mortgage balance is now approx. \$41,000, with an additional \$39,000 due to BURA. Homeowner is trying to sell and has had no success after repeated listings. She asks for consideration for possible total forgiveness of this loan based on general compliance with the HOME requirements for rental to low income household during the period to date. The HOME affordability period for this project was five years. The Division of Housing Loan Review Committee recommends this item be Tabled pending inspection of the property by their staff.

Corporation Counsel Timothy Ball made a motion to table this item to get more information about property inspection, seconded by Commissioner Janet Penksa and carried unanimously

83 Bryant - Request for Forgiveness of Loan Balance

Homeowner is faced with ever-increasing maintenance fees that are rendering her unable to meet the financial demands of owning the condominium. Given the new fees, she is seeking to sell her unit. In order to break even (maintenance assessment, 3% flipping charges, 6% realtor fees....) she put the property up for sale for \$139,000, but has had no offers. She dropped the price to \$129,900.00 and still had no buyer. After almost 18 months on the market, she now has a buyer for \$95,000 which is \$6,000 less than her original purchase price of \$101,000. With other costs and fees associated with the sale, she is forced to take out a personal loan to cover these expenses which total \$16,665, including repayment of the BURA loan. She is inquiring as whether the LRC would release her from the repayment requirement of the Move to Buffalo Program with no penalties so that her total loss is only \$8,725. She notes that the total value of the original grant was diminished by \$2,000 when she learned that the funds were considered to be taxable as income. The Loan Review Committee believes that it has not been granted the authority to act on this matter but offers the following in the event that such authorization is eventually approved but stated that if the Loan Review Committee is authorized they would vote to allow homeowner a reduction of \$2,000 to compensate for the income tax burden created by the original provision of the Move to Buffalo funding and reducing the payoff balance to \$5,500.

Mr. Mehaffy made a motion to table this item to get more information about the terms of the program, seconded by Corporation Counsel Timothy Ball and carried unanimously

697 Best Request for Assumption

Homeowner died in March and the will leaves the property to her four children. The son and daughter-in-law currently reside in the property and are seeking to assume the loan. HOME regulations do not recognize life estates as an eligible form of ownership, but that position is under review as part of the proposed changes to the HOME regs. OSP applies this HOME requirement to the CDBG program to ensure consistency in the application requirement for all housing programs. The Division of Housing Loan Review Committee recommends approval of this assumption of the original loan based on their documented eligibility as a low income household.

Corporation Counsel Timothy Ball made a motion to approve the request for assumption, seconded by Commissioner Janet Penksa and carried unanimously.

102 Cable -Request for waiver of asset limit

Homeowner is declaring assets of \$24,041 (based on the current value of her stock, which was provided to her as part of her pension plan) and is requesting a waiver of the \$20,000 asset limit to allow her to participate in the emergency roof repair program. Her current documented household income is below 50% of the area median for a single member household. The Division of Housing Loan Review Committee recommends approval of the asset limit.

Commissioner Janet Penksa made a motion to approve the request for waiver of asset limit, seconded by Corporation Counsel Timothy Ball and carried unanimously.

31 Horton - Request for Loan Restructuring

Commissioner Janet Penksa made a motion to take this item off the table, seconded by Corporation Counsel Timothy Ball and carried unanimously.

The Owner requested a Loan Restructuring and Emergency Assistance. Homeowner is seeking forgiveness of the outstanding balance on her current loan and authorization to apply for the Emergency Roof Repair Program. Division of Housing Loan Review Committee recommends to approve forgiveness of the outstanding principal balance on the original loan based on her documented "extremely low income" (below 30% of the median) status in 1996. All other program requirements apply.

Commissioner Janet Penksa made a motion to approve the request for loan restructuring and emergency assistance, seconded by Corporation Counsel Timothy Ball and carried unanimously.

506 Shirley

Commissioner Janet Penksa made a motion to take this item off the table, seconded by Corporation Counsel Timothy Ball and carried unanimously.

The Owner requested a Subordination to facilitate restructuring in lieu of foreclosure. In 2003, the owner filed bankruptcy but did not include the property in the bankruptcy workout. Homeowner continued to pay the first mortgage and did not realize that the BNRC loan was not included in the bankruptcy plan. In 2005, M&T filed a Notice of Pendency of Action to foreclose, but did not follow through. It is not known if BNRC responded to the Pendency Notice at that time. In December, 2011, a second Notice of Pendency of Action to foreclose on the M&T mortgage was commenced, and homeowner is now under consideration for restructuring contingent upon subordination of the BNRC loan to the restructuring agreement. Homeowner was current until 2003 when bankruptcy was filed. If the subordination is granted, payments to will be made BNRC to settle the account. Division of Housing Loan Review Committee approves a subordination of the BNRC loan to facilitate restructuring of the first mortgage to avoid foreclosure.

Commissioner Janet Penksa made a motion to approve the request for restructuring, seconded by Corporation Counsel Timothy Ball and carried unanimously.

1028 Clinton, 189 Dearborn and Adoption of Policy

Policy is as follows: "Homeowners who have filed bankruptcy wherein payment of delinquent city taxes, user fees, water bills and/or any other outstanding obligations is held in abeyance until the bankruptcy is discharged may not be approved for financial assistance through any OSP sponsored housing program. If the bankruptcy has been discharged and the outstanding obligations have been paid in full or a formal payment plan has been established for such outstanding obligations, a homeowner may be considered for assistance subject to all other program requirements". Division of Housing Loan Review Committee recommends approval of this policy.

Corporation Counsel Timothy Ball made a motion to approve the policy, seconded by Commissioner Janet Penksa and carried unanimously.

Adjournment

There being no further business to discuss, Corporation Counsel Timothy Ball made a motion to adjourn the meeting; seconded by Commissioner Janet Penksa and carried unanimously.

Respectfully Submitted,

By:

Risë Geller
Risë Geller

Approved,

By:

Scott C. Billman, Esq.
Scott C. Billman, Esq.