

**CITY OF BUFFALO URBAN RENEWAL AGENCY
LOAN COMMITTEE MEETING MINUTES
May 22, 2012 Meeting**

1.0 Members Present

Commissioner Janet Penksa
Brendan Mehaffy, Vice Chairman
Timothy Ball, Corporation Counsel

Staff Present

Scott C. Billman
Yvonne McCray
Greta Mobley
Risë Geller

2.0 Mr. Mehaffy called the meeting to order at 2:10 p.m. Corporation Counsel Ball made the motion to waive the reading of the minutes for the April 17, 2012 meeting, and that they are accepted; seconded by Commissioner Penksa and carried unanimously.

3.0 New Business

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

3a.

47 Interpark -AHC Funding Withdrawn – Additional funds requested

October 2011, the newly created BURA Loan Review Committee approved a hybrid loan as follows: A request for rehab assistance beyond the lifetime funding cap for a two family home occupied by disabled individuals. The owner received \$20,125 in 2001 and the standard limit is \$25,000 over the life of the property. An owner entering the program for the first time may receive up to \$50,000 for rehab to a two family home, including any required lead remediation. The estimate for the new repairs is \$63,000, and up to \$12,000 will be provided through FLARE. Approval would ensure that this family has decent, safe and sanitary housing for the long term in an era of decreasing resources for handicapped individuals. The cost of the lead remediation, as required by federal regulation is a significant factor in the higher cost of the repairs to this property. Division of Housing Loan Review Committee recommends approval of this request.

Commissioner Penksa made a motion to approve additional funds requested funding, seconded by Corporation Counsel Ball and carried unanimously.

179 Whitney Request for Emergency Assistance

In 2001 homeowner received funding for the repair of hazardous structural conditions. Funds were provided for replacement of a rear addition that was sinking and replacement of the front porch from the soffit on down. The replacement addition included installation of a bathroom and new furnace. Homeowners son reports that there have been problems with the construction from the beginning, but his most current concern is that the new porch is collapsing. The Division of Housing Loan Review Committee recommends approval of this request.

Corporation Counsel Ball made a motion to approve request for emergency assistance contingent upon further inspection of property, seconded by Commissioner Penksa and carried unanimously.

1918 Clinton - Request for early discharge

Homeowner has resided in the home at since 1980 and for the past 9 ½ years has been in compliance with the terms of the BURA loan. Homeowner was recently diagnosed with stage 4 colon cancer and is currently being placed in the care of Hospice. Prior to her passing, she would like to transfer the property to her tenant who has resided in the rental unit for the last twenty years. Tenant is currently on disability and is interested in remaining in her apartment. Homeowner would simply deed the property to her tenant at no cost. In order to clear title to the property before transferring it to her tenant, homeowner is requesting early discharge for this loan. Because this loan was funded with CDBG, there is no regulatory prohibition against this transfer. The Division of Housing Loan Review Committee recommends approval of this request.

Corporation Counsel Ball made a motion to approve request for early discharge, seconded by Commissioner Penksa and carried unanimously.

82 Wright - Request for reduced payoff or forgiveness

Homeowners are divorced and the house is in foreclosure. The original mortgage was \$37,749 and included purchase and rehab funding through M&T. There is a sale pending, but there will be insufficient proceeds to repay the entire BURA loan. This is a HOME funded property and the rental unit must be occupied by a low income household through at least September 29, 2013 (five year Period of Affordability) or BURA will be required to repay approximately \$8,200 to HUD. Homeowner is requesting that the BURA loan be forgiven or the payoff reduced. Housing has explained that the new buyer must agree to comply with the terms of the Affordability Restrictions and Covenants Running with the Land that was filed as part of the mortgage. Those terms include a ten year affordability period (that reflects the full loan term with the current owner), but compliance with the HOME regulations will be met in five years. The new owner will not occupy the property and does not qualify as low income, but the current tenant meets the LM standard and has not been asked to vacate the unit. Division of Housing Loan Review Committee recommends approval of this request.

Commissioner Penksa made a motion to approve request for reduced payoff or forgiveness, seconded by Corporation Counsel Ball and carried unanimously.

398 Monroe - Request for waiver of one year ownership

Homeowner purchased the property at 398 Monroe for \$3,000 from the prior owner. Owner is seeking a waiver of the one year ownership requirement for participation in the emergency program to allow him to make this property habitable for his family of five. The Division of Housing Loan Review Committee recommends approval of this request

Commissioner Penksa made a motion to approve request for waiver of one year ownership, seconded by Corporation Counsel Ball and carried unanimously.

68 Hazelwood - Request for waiver of one year ownership

Homeowner is the sole heir of her mother's estate and was appointed executor and has lived in the property since before her mother's death. She is seeking permission to apply to the emergency roof repair program (Lovejoy District). The Division of Housing Loan Review Committee recommends approval conditioned upon verification that she has occupied the property since 2008.

Commissioner Penksa made a motion to approve request for waiver of one year ownership with the condition that she takes title to the property, seconded by Corporation Counsel Ball and carried unanimously.

63 Woltz - Request for waiver of arrearages policy

Homeowner would like to apply to the emergency roof repair program, but is technically delinquent under the terms of her existing loan. Her loan closed in 1993 and she made 24 payments following the closing until 1995 when all payments ceased. She re-established a consistent payment record in 2003 and has been substantially current since that time. The Division of Housing Loan Review Committee recommends approval of the waiver of arrearages policy.

Corporation Counsel Ball made a motion to approve request for waiver of waiver of arrearages policy, seconded by Corporation Counsel Ball and carried unanimously.

83 Bryant - Request for Forgiveness of Loan Balance

Homeowner has a buyer under contract for \$81,000 which is \$20,000 below her original purchase price of \$101,000. Additional fees were levied following the initial roof assessment and there has been no relief relating to the other fees noted previously (maintenance assessment, 3% flipping charges, etc. Her mortgage balance is \$93,005 and total closing costs for the sale bring her liability for expenses relating to the sale to \$100,344 not

including the BURA loan. Homeowner will be taking out a personal loan for \$19,944 to cover the sale, or \$27,144 if BURA does not forgive the entire Move to Buffalo loan. Homeowner has fulfilled 80% (four of the five years) of the residency obligation and is requesting full forgiveness of the Move to Buffalo Loan based on extreme financial hardship. The Division of Housing Loan Review Committee recommends granting credit for occupancy as required for 4 of the 5 years and, based on the depreciation of the value of the property, to reduce the amount due by 80% applied to the original amount provided of \$7,500 and accept \$1,500 as payment in full.

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

Commissioner Penksa made a motion untable this item , seconded by Corporation Counsel Ball and carried unanimously.

Corporation Counsel Ball made a motion to deny request for forgiveness of loan policy, seconded by Commissioner Penksa and carried unanimously.

439 West Delavan Request for Subordination

The owners are refinancing with HSBC and the new mortgage includes debt consolidation (\$10,000) and approximately \$9,600 in cash back for improvements. The new interest rate is 3.5% which is below their current rate of 5.3%. the homeowner is a licensed electrician and plans on completing the improvements himself so there are no contractor estimates. Subordination requests that provide for refinancing of the outstanding principal balance, plus closing costs do not require committee review. Homeowner asks that, if approval cannot be granted for this request as currently structured, the committee might consider an early discharge if a pro-rated share of the balance outstanding were repaid. He asks for credit for compliance with 4 of the 5 years of occupancy required and an 80% reduction in the payoff amount and he would then repay \$1,500 as payment in full. The Division of Housing Loan Review Committee recommends approval of this request.

Corporation Counsel Ball made a motion to approve request for subordination, seconded by Commissioner Penksa and carried unanimously

3b. Projects recommended for funding through November 2011 RFP Process

PUSH Buffalo

Project Address:	335-339 Massachusetts Avenue (New Construction)
Total Project Costs:	\$1,111,990
HOME Request:	\$322,817
Project Type:	New Construction

Commissioner Penksa made a motion to approve funding, seconded by Corporation Counsel Ball and carried unanimously.

Mariner Towers LLC/Liberty Affordable Housing

Project Address:	186 Efner Street
Total Project Costs:	\$40,899,545
HOME Request:	\$1,500,000
Project Type:	Occupied Rental Rehabilitation

Corporation Counsel Ball made a motion to approve funding contingent upon analysis from Law Department for PILOT, seconded by Commissioner Penksa and carried unanimously.

DePaul Properties Inc.

Project Address: 238 Ontario Street
Total Project Costs: \$20,360,803
HOME Request: \$1,000,000
Project Type: School Conversion to Affordable and Special Needs Apartments

Commissioner Penksa made a motion to approve funding, seconded by Corporation Counsel Ball and carried unanimously.

Belmont Housing Resources Inc.

Project Address: Mid City Neighborhood Revitalization Strategy Area (NRSA)
Total Project Costs: \$20,360, 803
HOME Request: \$900,000
Project Type: Single Family and Double Acquisition, Rehab, Resale

Commissioner Penksa made a motion to approve funding, seconded by Corporation Counsel Ball and carried unanimously.

Request for Additional Funds: Current Project underway

Applicant: PUSH Buffalo
Project Address: 397-398 Massachusetts Avenue
Total Project Costs: \$1,885,523; includes \$400,000 in City HOME funds
HOME Request: an additional \$150,000
Project Type: Rehabilitation

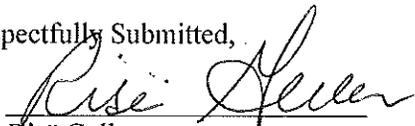
Commissioner Penksa made a motion to approve the request for additional funds, seconded by Corporation Counsel Ball and carried unanimously.

Adjournment

Commissioner Penksa made a motion to adjourn the meeting and reconvene when Commissioner Penksa is available, seconded by Corporation Counsel Ball and carried unanimously.

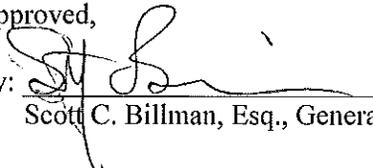
Respectfully Submitted,

By:


Risé Geller

Approved,

By:


Scott C. Billman, Esq., General Counsel