

CITY OF BUFFALO URBAN RENEWAL AGENCY
LOAN COMMITTEE MEETING MINUTES
August 23, 2012 Meeting

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1.0 Members Present

Commissioner Janet Penksa
Brendan Mehaffy, Vice Chairman
Timothy Ball, Corporation Counsel
Council President Richard Fontana

Staff Present

Scott C. Billman
Yvonne McCray
Greta Mobley
Risè Geller

2.0 Mr. Mehaffy called the meeting to order at 10:15 am. Commissioner Penksa made the motion to waive the reading of the minutes from the May 22, 2012 meeting, and that they are accepted; seconded by Corporation Counsel Ball and carried unanimously.

3.0 New Business

St. John Fruitbelt CDC – Townhomes Project.. Housing Director Yvonne McCray explained to the committee the proposed Loan terms from the HOME Agreement are as follows:

- a. Amount. BURA shall provide the Redevelopers with an amount not to exceed the sum of two million, seven hundred and fifty thousand dollars (\$2,750,000.00);
- b. Note Term. The Term of the Note shall be twenty (20) years;
- c. Interest Rate. The interest rate of the HOME Note Amount will be one percent (1%) per annum for so long as the Redevelopers(s) remain in compliance with the terms of this Agreement;
- d. Payment. Interest only payments of \$27,500.00 (1% of the Note Amount shall be made annually payable from Net Cash Flow each year for twenty (20) years beginning on October 1, 2015. Unpaid interest shall accrue and will not be due before the end of the term so long as the HOME-assisted units are occupied by eligible low or very low income households. If the Redevelopers sells or otherwise transfers title within the twenty year affordability period, all obligations and requirements under the HOME Program regulations must be met;
- e. Penalty. In the event that the Redevelopers(s) are in default under the terms of this Agreement, and remain so for thirty (30) days after Notice as set forth in the terms of this Agreement then during such time said interest will accrue at the rate of 9% per annum and shall be payable annually on October 1st of each year;
- f. Repayment. The principal amount of the Note and all accrued interest will be due and payable on October 1, 2034. Further, the Note Amount shall be due and payable, in full, at the option of BURA, upon the occurrence of any of the following events: (i) If the Redevelopers in any manner sells or otherwise transfers their interest, in whole or in part, in the subject properties without prior written authorization from BURA; or (ii) Upon any default or breach, of this Agreement. If all obligations are met as agreed, then on October 1, 2034 the mortgage will be discharged and no additional payments will be required;
- g. In response to questions from the committee; Ms. McCray informed them that this project is not related to McCarley Gardens.

Council President Fontana made a motion to approve the request to allocate HOME funds, seconded by Commissioner Penksa and carried unanimously.

Adjournment

Corporation Counsel Ball made a motion to adjourn the meeting at 10:30 am, seconded by Commissioner Penksa and carried unanimously.

Respectfully Submitted,

By: Risè Geller
Risè Geller

Approved,

By: Scott C. Billman
Scott C. Billman, Esq., General Counsel