

**City Of Buffalo Urban Renewal Agency
Loan Committee Meeting
Loan Committee Meeting Minutes for October 3, 2013**

1.0 Members Present

Brendan Mehaffy, Vice Chairman
Commissioner Donna Estrich
Council President Richard Fontana
Timothy Ball, Corporation Counsel

Staff Present

Scott C. Billman
Yvonne McCray
Risë Geller Alongi
Michael Taylor, NYBDC
Justin Nadeau, NYBDC
Rebecca Gandour, Director of Development

2.0 Mr. Mehaffy called the meeting to order at 9:40 am. Council President Richard Fontana made the motion to waive the reading of the minutes from the September 5, 2013 meeting, and that they are accepted; seconded by Commissioner Estrich and carried unanimously.

3.0

3a. Housing Action Items

575 High Street - Request for Assistance for Multiple Emergency Conditions

Yvonne McCray Director of Housing explained to the committee that this item is **informational only** as it was tabled at the Housing Loan Committee meeting on September 26, 2013

Homeowner is elderly and originally requested assistance to repair the hot water tank. Belmont met with homeowner and completed a quick survey of the property and the conditions of the tank serving the lower apartment. The primary issue is a lack of hot and cold water to her bathtub due to aged galvanized waterlines compounded by the installation of copper water lines that caused galvanic reaction choking off the supply of the supply of water to the bathroom. The fix would be to replace a 17 year old leaking water heater, water supply lines, and fixtures, at a cost of approximately \$2,500.00 - \$3,000.00. Belmont noted that there are several other conditions that should also be addressed, including a sewer line in need of repair, roof replacement, chimney rebuild, and upper and lower porch repairs, there is also a strong possibility for change orders due to the fact that water has not been run to these fixtures in over 5 years. This is a multiple unit property and Belmont has not examined the other units, but stated that there are two additional water heaters in the basement that appear to be non-operational and are in need of replacement as well. The repairs to the porch would require a lead risk assessment and could lead to a requirement for additional work with respect to lead remediation.

77 Grey Street Request for emergency roof repairs assistance and waiver prior loan arrearages policy

Homeowners father previously owned the property received a BURA rehab loan for \$11,470.00 on July 10, 1996. Payments totaling \$1,229.12 were made but following his death in 1998 no further payments were made. The property was transferred to the present homeowner 2005. Homeowner is requesting that BURA allow her to apply for additional assistance for repairs to her roof, subject to program guidelines. The Division of Housing Loan Review Committee recommends denial of this request

Council President Fontana made a motion to deny request for emergency roof repair assistance and to waive the prior loan arrearages policy, seconded by Mr. Ball and carried unanimously.

219 Laurel - Determination of feasibility

Director of Housing Yvonne McCray presented this item as **informational only**. only as it was tabled at the Housing Loan Committee meeting on September 26, 2013

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Homeowner inherited the single family property in 2011. A Notice of violation was issued for the property in July including citations for foundation repair, roofing, broken windows, wall and ceiling repair, trash and debris, high weeds and grass, and dog waste in the interior and exterior spaces. The rehab administrator determined the property to be infeasible for rehab based on work required to stabilize the foundation under the kitchen and the concern that other problems would arise when work is started. Mold remediation is also required. A bid for \$66,166 has been received. The property is part of the NYS Block by Block program and 60% of the cost (\$39,700) will be funded through that program with the balance of \$24,466 funded under CDBG. This item was tabled at the Housing Loan Committee on September 26, 2013 pending further investigation by Belmont regarding the current condition of the property and confirmation that homeowner has made an effort to eliminate the clutter, remove all dog waste from the interior and exterior spaces, and all trash and debris, high weeds and grass from the yard.

73 Victoria - Request for reduced payoff

A fire in May 2013 that caused considerable damage to the upper rear of the house. Del-Rich properties is financially unable to rebuild the house and has an interested party who would like to purchase the property and make the property code compliant. Del-Rich properties invested funds in this house over the last year, a new roof (\$7,000), exterior paint (\$3,000) and interior and exterior repairs (\$3,500) prior to the fire. All taxes, user fees, landlord fees, and county taxes have been paid in full and on time. Del-Rich has a contract for \$5,000 at this time and has been trying to sell the house since the fire in May. Owner requests that if BURA would accept the \$5,000 as full payment for this loan and notes that, if BURA will not accept the funds they will provide a deed in lieu of foreclosure. Division of Housing recommends denial of this request.

Commissioner Estrich made a motion to deny the request for a reduced payoff, seconded by Council President Fontana and carried unanimously.

45 Glendale Request for forgiveness of Loan arrearages

Homeowner is requesting forgiveness of the arrearages totaling \$9,936.29, to allow her to seek funding for interior and exterior repairs on her home. Homeowner is on a fixed income. Homeowner stated that the contractor Gilano Enterprises Inc. did not complete the work on the property as required and there was a conflict with BNRC. As a result the owners discontinued making monthly payments, thereby leaving a lien against the property which had an expiration date of 6/30/1999. The 2007 request for restructuring or forgiveness based on a reduction in household income resulted in a decision to allow the collection of the funds due upon sale. The homeowner still occupies the property and needs to make repairs now but is unable to access funds with the BNRC lien still in place. The project file supports her contention that there were problems with the job and the contractor. Homeowner is asking for relief on this 30 year old issue. Division of Housing recommends denial of this request.

Commissioner Estrich made a motion to deny the request for forgiveness of loan arrearages with consideration to submit evidence that private lenders have denied financing due to the presence of the BURA lien,, seconded by Mr. Ball and carried unanimously.

108 Pries Request for loan re-categorization

Homeowner is requesting to be allowed to retain the original loan category designation made prior to the release of the HUD 2013 income limits. The new limits were lower for all family sizes and under the old limits and homeowner was under the 30% of median limit and considered to be in the extremely low income category. An increase of only \$20.00 a month in homeowners benefit amount and is puts him in the 50% of median category which will require that he repay part of the funds provided at \$35.25 a month. The payment will use up all of the increase and impact his net income. Division of Housing recommends approval of this request.

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Council President Fontana made a motion to allow the homeowner to retain the original loan category designation made prior to the release of the HUD 2013 income limits seconded by Commissioner Estrich and carried unanimously.

29-61 Emerson Place - 38 Emerson Place - Request for loan forgiveness

BURA provided funding to Seventy Eight Restoration Corp. for the conversion of 14 derelict units in the historic Emerson Row House complex to create 28 one-bedroom apartments. The units were all electric and difficult to manage given the increased concentration of occupants and eventually fell into disrepair. As the Program Administrator for the NYS Housing Trust Fund program funds, BURA holds the HTF mortgage, along with other mortgages for supplemental funds required to complete the project. Although the terms of the mortgages generally note that the outstanding balances are reduced ratably each year, because the project failed to comply with the terms of the HTF and BURA Agreements, the project is technically in default. Most units are now vacant. Seventy-Eight Restoration has an interested buyer who paid the delinquent taxes to move the property off the foreclosure list and the buyer has stated that they have the resources to repair the units for occupancy. The contract amount is \$168,000 with \$10,000 in escrow as a deposit; \$50,000 to be paid in cash at closing and Seventy-Eight Restoration holding a mortgage for the balance at 3% with a balloon payment due in five years. Seventy-Eight Restoration is seeking forgiveness of the \$25,000 BURA loan, and discharge of the other BURA mortgages. Seventy-Eight Restoration has submitted a list of obligations to be satisfied totaling \$95,824, including approximately \$55,000 in city and county tax, user fee, sewer rent, and water bill arrearages. Division of Housing recommends denial of this request.

Commissioner Estrich made a motion to deny the request for loan forgiveness, seconded by Mr. Ball and carried unanimously.

632 East Ferry - Request for CDBG funding on all repairs

Owner applied for assistance through the FLARE AHC program. AHC funds were to contribute \$12,000 to the total cost, thereby keeping funding below the general limit of \$50,000 in OSP funding for a two family house. The FLARE AHC funds are no longer available but OSP committed to providing assistance to the owners approved for that program. Originally both HOME and CDBG funds were to be allocated, but with the changes in the HOME program rules, that source might be problematic because full code compliance is required and additional program requirements have been imposed. The property is within the former mid-City NRSA. Division of Housing recommends approval of this request. Division of Housing recommends approval of this request.

Council President Fontana made a motion to approve CDBG funding on roof repairs, seconded by Commissioner Estrich, and carried unanimously.

3b. Tableded Items

37 Oxford - Request for refund

Motion to remove this item off the table was made by Mr. Timothy Ball, seconded by Council President Fontana and carried unanimously.

Homeowner's income changed dramatically due to a job injury in 2008. Homeowner requested restructuring of the loan, which was granted. Homeowner is seeking funds to bring his loan current and pay other expenses. The lender, Quicken Loans requested a payoff statement and then proceeded to repay the entire outstanding balance, which included the \$15,377.45 deferred amount that was not due and payable if homeowner remained in the property for ten (10) years. This action by the lender increased his loan amount beyond what was needed. Homeowner is asking that BURA refund the overpayment of \$15,377.45 which would have been forgiven if the lender had not paid. Homeowner will then apply this amount to the principal of the new loan to reduce his overall obligations.

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Commissioner Estrich made a motion to re-table this item until owner provides additional documentation that he has satisfied his obligations, seconded by Mr. Timothy Ball and carried unanimously.

207 Schuele was left tabled

3c. Economic Development

Loan Review of Tishman Project

Scott Billman explained to the committee New York Business Development Corp. (NYBDC) role providing loans and NYBDC's role with the Tishman project. Mike Taylor to provide a schedule of loan fees to Council President Fontana.

Mr. Ball made a motion to recommend to the BURA Board, seconded by Council President Fontana and carried unanimously.

4.0 Adjournment

Commissioner Estrich made a motion to adjourn the meeting at 10:45 am, seconded by Mr. Ball and carried unanimously.

Approved,



Scott C. Billman, Esq. General Counsel