

**City Of Buffalo Urban Renewal Agency
Loan Committee Meeting
Loan Committee Meeting Minutes for September 4, 2014**

1.0 Members Present

Brendan Mehaffy, Vice Chairman
Commissioner Donna Estrich
Council President Darius Pridgen

Staff Present

Scott C. Billman
Risë Geller
Yvonne McCray
Thomas Baines

Members Excused

Timothy Ball, Corporation Counsel

2.0 Reading of the Minutes

Mr. Mehaffy called the meeting to order at 9:40 am. Commissioner Estrich made the motion to waive the reading of the minutes from the August 7, 2014 meeting, and that they are accepted; seconded by Council President Darius Pridgen and carried unanimously.

3.0 Housing Department Action Items

131 Southside Parkway – Southside Firehall Apartments - Request for discharge

In 1989 Neighborhood Housing Services of South Buffalo received \$322,652.00 under the NYS Housing Trust Fund program to convert the Southside Firehall into 6 affordable rental units. As Program Administrator for the Housing Trust Fund funds, BURA holds the mortgage which expired in January 2010. The expiration of the mortgage also extinguished the Housing Trust Fund obligations to maintain the property as affordable housing. The Neighborhood Housing Services has requested a discharge of the Housing Trust Fund mortgage to facilitate the sale of the property. A contract of sale has been executed for the sum of \$225,000.00 with an anticipated closing date in September pending release of the mortgage. The Neighborhood Housing Services has submitted sufficient information to document compliance with the terms of the Housing Trust Fund Agreement. The Division of Housing Loan Review Committee recommends approval of the discharge for the Housing Trust Fund mortgage

Council President Pridgen made a motion to approve the discharge of the Housing Trust Fund Mortgage, seconded by Commissioner Estrich and carried unanimously.

29-61 Emerson Place Request for Conditional Subordinations pending Discharge or Conditional Discharges Status Update

In late 2013 and early 2014 the Housing and BURA Loan Committees reviewed requests from Seventy-Eight Restoration Corporation for loan forgiveness and discharges to facilitate the sale of the Emerson Row Houses at 29-61 Emerson Place. In response to the January 2014 directive of the BURA Loan Review Committee, the Division of Housing reached out to the current owner in an effort to ensure that the sale of the property will result in the completion of any necessary repairs and the return of 29-61 Emerson to physical and financial health. The buyer who was originally proposed has been replaced by Laurynthian Properties. Marty Lougen and Kevin Rosso are the principals of Laurynthian and the company is represented by attorney Joseph Dagonese. A three phase plan for renovations to the property as follows:

Phase 1 - Exterior Priorities	cost	completion target
Roof - repair and coat any and all leaks	25,000	10/31/2014
Structural repairs - rotted wood replacement	25,000	11/15/2014
Scrape and paint - existing or historically appropriate colors	60,000	11/15/2014

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	110,000		
Phase 2 – Interiors and Landscaping			avg \$22,500 per unit
Repairs to 5 vacant units - kitchens, bath, misc items	112,500	4/1/2015	
Landscaping - both buildings	15,000	5/1/2014	
	127,500		
Phase 3 - Future projects - no scheduled completion dates			
Secured parking	NA		
Additional building lighting	NA		
Total cost Phase 1 and Phase 2	237,500		
<i>Purchase price inclusive of payouts to prior buyer</i>	<i>189,000</i>		
Total Financing Available - First Niagara	426,500		

First Niagara has supplied a letter stating that Laurynthian has a commitment to fund the purchase and necessary repairs. Rents for the 28 units at Emerson are projected to be approximately \$415/month, generating gross annual revenue of approx \$140,000. With annual operating expenses estimated at \$48,000 and debt service of \$25,000 on the First Niagara loan, the cash return on equity is calculated to be approx \$60,000 annually which could be used to address any additional repairs that may be needed after the initial work is complete. The Division of Housing Loan Review Committee recommends to approve discharges of the outstanding BURA mortgages following completion of all exterior repairs and evidence of exterior code compliance.

Commissioner Estrich made a motion to subordinate the BURA mortgages until completion of the necessary repairs as noted above. The net proceeds of sale following satisfaction of all outstanding obligations must be used to repay the mortgage balances due to the City of Buffalo/City of Buffalo Urban Renewal Agency either at the time of closing or at time of balloon payment, seconded by Council President Pridgen and carried unanimously.

Request for Discharges – NYS Housing Trust Fund Projects

Given that the regulatory period of 20 years has expired and no payments are due, the Division of Housing is requesting permission to also process discharges for the projects at 484 Leroy Ave. and 376 Urban. 484 Leroy Ave., Fillmore Leroy Area Residents, Inc - \$120,000 and 376 Urban – Broadway Fillmore Neighborhood Housing Services, Inc. - \$1,080,000. The Division of Housing Loan Review Committee recommends approval of this request

Council President Pridgen made a motion to approve the discharges, seconded by Commissioner Estrich and carried unanimously.

117 Academy - Request for discharge

Homeowner is a senior citizen who is selling her home to reduce the maintenance and mobility burden of homeownership. The BURA mortgage is scheduled to expire in November, 2014, but at this time there is a balance due of 20% of the original amount or \$2,455. The owner is requesting an early discharge and forgiveness of the balance due to allow her to realize a small profit to be used for moving expenses. The Division of Housing Loan Review Committee recommends approval of this request.

Council President Pridgen made a motion to accept the request for an early discharge, seconded by Commissioner Estrich and carried unanimously.

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4.0 Adjournment

Council President Pridgen made a motion to adjourn the meeting at 10:00 am, seconded by Commissioner Estrich and carried unanimously.

Approved,



Scott C. Billman, General Counsel