



**GREELEY URBAN RENEWAL AUTHORITY
Proceedings**

**November 8, 2017
1100 10th Street – United Plaza Building
4:30 p.m.**

I. Call to Order

Chair Harris called the meeting to order at 4:30 p.m. Commissioners Haas, Cummins, Velasquez, and Costigan were present. (Commissioner Roberts was not present and Commissioner Suniga was absent.)

II. Approval of minutes for the meeting held on October 11, 2017

Commissioner Costigan made a motion to approve the minutes for the meeting held on October 11, 2017 as written. Commissioner Cummins seconded the motion; the motion carried 5-0.

III. Items of Business

(Commissioner Roberts arrives.)

Public Hearing to Consider the 2018 State Budget

Carol Larsen, Grant Specialist summarized a memo on the 2018 State Budget.

Every year by Colorado Statutes, independent government authorities must file an Annual Budget with the State of Colorado, Division of Local Government. All funds and accounts must be reported. All funds in the annual budget are also audited by the City.

Chair Harris opened the public hearing at 4:40 p.m. and called for public comment. Chair Harris closed the public hearing at 4:40 p.m.

Commissioner Cummins made a motion to approve Resolutions 3 and 4 appropriating sums of money to various funds for the State Budget as submitted. Commissioner Costigan seconded the motion; the motion carried 6-0. (Commissioner Suniga was absent.)

Consideration of an update to Standard Operating Policies & Procedures – GURA Loan Programs

JR Salas, GURA Manager, reviewed updates to the Standard Operating Policies & Procedures GURA Loan Programs. He highlighted criteria that improvements may not exceed total value of property and loans made to investors require contribution by owner of 25% of project cost in private funds. Other changes to the policies and procedure were housekeeping type items.

Commissioner Costigan made a motion to approve the updated Standard Operating Policies & Procedures – GURA Loan Programs as presented by staff. Commissioner Haas seconded the motion; the motion carried 6-0. (Commissioner Suniga was absent.)

Consideration of an update to Standard Operating Policies & Procedures – Single-Family Housing Rehabilitation Program

Mr. Salas outlined a proposed change to the Standard Operating Policies & Procedures – Single-Family Housing Rehabilitation Program.

The maximum rehab loan would still be capped at \$24,999. Rehab cost would be divided equally into one-half loan at 0% interest with loan term dependent on amount and the other half as a grant. The grant would be forgivable loan over 10 years with 10% of the amount forgiven annually on the anniversary date of the note and deed.

Minimum loan amount to qualify as combination loan and grant to be \$6,000. Any rehab at or below minimum to be full loan repayable over term affordable to homeowner with a minimum payment of \$50/month.

Commissioner Cummins made a motion to approve the update to the Standard Operating Policies & Procedures – Single-Family Housing Rehabilitation Program as presented by staff. Commissioner Costigan seconded the motion; the motion carried 6-0. (Commissioner Suniga was absent.)

Consideration of an Amendment to the Lincoln Square agreement for assistance request

Rebecca Safarik, Assistant City Manager gave a brief history of the Lincoln Square Apartments, 401 11th Street, Greeley, CO. She introduced Tom Teixeira, Executive Director, Greeley/Weld Housing Authority who answered questions and added to the discussion.

At the May meeting the board approved a loan of \$300,000 at two points less than Prime Interest Rate which was (4%) at that time with payments deferred for two years to perform some maintenance and build up the reserves. The loan was amortized over thirty (30) years to mirror the bank loan but would balloon like the bank loan in ten (10) years with repayment of the GURA loan to start in November 2019. See attached original memo for more details.

The GURA board approved the request but due to prolonged reviews by federal agencies and others, the closing has been delayed and no closing is set yet though it is anticipated that a closing may take place in the next sixty (60) to ninety (90) days. As interest rates have changed the bank providing the majority of the funding is having to decrease their funding amount to comply with the underwriting requirements.

The request is that GURA provide up to \$200,000.00 in additional funding under the same terms as original fund commitment.

Commissioner Cummins made a motion to approve the request for additional amount not to exceed \$200,000.00 under the same terms as loan approval May 10, 2017 for the acquisition of the Lincoln Square Apartments at 401 11th Street, Greeley. Commissioner Velasquez seconded the motion; the motion carried 6-0. (Commissioner Suniga was absent.)

Consideration of the acquisition of 1320 4th Street (HAPP program)

Ms. Safarik informed the board that GURA has the opportunity to purchase a blighted property located at 1320 4th Street.

All structures on the property appear well beyond repair and should expect to be demolished and the site prepped for new construction. A Broker's Opinion of Value (BOV) is \$127,000; however, this was without an inspection of the inside of the home, which contains significant hoarded trash and household items and would reflect years of deferred home maintenance. A formal appraisal would likely place the home at a reduced value given its condition. It is partially for this reason that GURA may be the best option for the purchase and redevelopment of the site to the benefit of the neighborhood. If the Board authorizes the acquisition of the site, staff would propose to use the BOV as a starting point with deduction for the detracting characteristics as noted.

Once purchased and the site cleared, staff would contract for a new home design consistent with the neighborhood, bid the construction and offer it to a new homeowner as part of the Homes Again Purchase Program. The expected budget for the site could be:

Acquisition:	\$ 75,000 - \$110,000
Demolition/Clearance:	\$ 30,000 - \$60,000
New Construction:	\$240,000

Total Estimated Cost: \$410,000 based on maximums
Possible Sales Price: \$200,000
Potential Subsidy: \$210,000

There is sufficient funding in the HAPP account to support this level of work.

Commissioner Cummins made a motion to approve negotiation for the acquisition of 1220 4th Street, Greeley at no greater cost than the Broker's Opinion of Value. Commissioner Roberts seconded the motion; the motion carried 6-0. (Commissioner Suniga was absent.)

**Consideration of exception to Standard Operating Policies & Procedures
Single-Family Housing Rehabilitation Program – Rehab percentage out of area**

Mr. Salas described a rehab application (2515 23rd Avenue, Greeley) that GURA received to replace an existing sewage line of an elderly couple who meet the HUD income guidelines. The cost of the new sewage line will be approximately \$12,000.

The applicant has a reverse mortgage on the home that decreases the equity each year that could jeopardize the ability to recover the loan funds.

The property is outside the normal service area so if the rehab was done it would count against the maximum 20% of the grant expended outside the boundary.

Commissioner Roberts made a motion to approve the exception to the rehab policy and procedures to assist the applicant with a new sewer line at 2515 23rd Avenue, Greeley. Commissioner Cummins seconded the motion; the motion carried 6-0. (Commissioner Suniga was absent.)

IV. Board Member Comments/Reports

None

V. Staff Report

None

VI. Adjournment

There being no more business, the meeting was adjourned at 5:33 p.m.



Rebecca L. Safarik, Secretary



Susan Harris, Chair