

MINUTES/URBAN DEVELOPMENT COMMITTEE

Tuesday, November 10, 1998 - 12:15 p.m.

Members present: Glassheim, Beyer, Polovitz.

1. Matter of County parking ramp.

Joel Manske, Housing Authority, stated that there has been discussion and some plans to move forward with the design and concept drawings for the County parking ramp on the south end of the central business district, and the Parking Authority Board resolved to hire Schoen & Kobetsky architectural firm to put together a schematic drawing and design and cost estimates for the Parking Auth. to enable them to move forward with the ramp; that the resolution called for a contract that would not exceed \$60,000 to put the drawings together for the parking ramp, and that \$60,000 would be paid from \$2 million that the city council has already allocated to the parking ramp, and process would require that the Urban Development Committee concur with the recommendations from the Parking Authority to fund that \$60,000 for the design and development of the costs for the ramp. It's a number of options and reason the Parking Authority resolved to utilize Schoen & Kobetsky is that they are the architects on the County Adm. Office Building and for purposes of continuity of design, their familiarity with project, and their ability to come up with detailed cost estimates for the parking ramp.

Moved by Beyer and Glassheim to concur with resolution from the Parking Authority Board to hire Schoen & Associates, architectural firm, and to allow for up to \$60,000 in detailed design and drawings, cost estimates for the County parking ramp, to be paid from the \$2 million allocation in the matrix. Motion carried.

Polovitz reported present.

2. Matter of citizen requests for extension to relocation voucher.

Terry Hanson, Urban Development, reported they have requests for five extensions to redeem vouchers available to citizens that go through the City buyout:

1) Ray Engen request for extension to February 24, 1999, and has provided a letter of request and copy of purchase agreement on a townhouse.

2) Claire and Gary Karlstad requested extension to February 1, 1999, and have provided letter of request and copy of purchase agreement.

3) John T. and Carolyn F. McCormack have requested extension to April 1, 1999, and they have provided letter of request and a purchase agreement.

4) Kevin and Paula-Dee Kallinen are purchasing a house and would like extension to January 31, 1999, that he talked to their realtor and who will fax him a copy of their purchase agreement but confirmed that they have a purchase agreement signed and plan on closing on the house December 31, 1998.

5) Daniel Kratochvil is requesting an extension; however, it was noted that he didn't receive offer letter until October 28 in

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Phase IV. Mr. Kratochvil stated they place they are considering is under construction and won't get into property until in April but purchase this year. He stated they are on dry side of the dike until found out October 19, 1998 that they were on the buyout list and put in for buyout and added to the list, and received offer on October 28, would buy before December 15 but not close until next year. Mr. Hanson stated they could allow an extension to April 30, 1999. He stated two things have to happen even though they grant an extension is that applicants have to be eligible for voucher and that program expires December 31, and if they do not close on their existing home to the City in a buyout program by December 31, the voucher program is no longer there - have to close on City property first, and still would not be able to redeem the voucher until they actually close on a new property; and in this case if he doesn't go through with purchase of the home and doesn't close, he doesn't receive the funds.

Committee stated that they should have a policy as they have closed everything as of December 31 but there are things they didn't take into account, and question is are they going to do everything on a case by case or say application must be in by such a date or some other milestone - that the application was in and something was done to say they are buying a place. Beyer noted that Phase IV is still open and people in that program that have been following this are expecting that if they purchase or build a new home they will get the voucher; and also noted that it's on Flood Response agenda to perhaps close Phase IV. It was noted that Phase I and II are closed and Engen in Phase I. Mr. O'Leary stated that no matter what date you set it ends up to be issue for somebody who's on the edge, that one way to do this is that anybody who has a

purchase offer from the City by the end of the year would be included in the program and let the purchase offer be different so that someone might want to sell his house to the City, send out offer to purchase his property and given sellers and buyers reasonable length of time with 90 or 120 days to complete the appraisal and transaction and concurrently with that be looking for another house, but have to draw a line and stop the program. Kevin Dean, Info Center, stated that having the signed purchase agreement which would be the date could trigger it on but for Phase IV the program is still open, can still sign up for Phase IV and they are finding that it takes about 6 weeks from time an owner signs the purchase agreement to the time they can physically close on a property. He stated that if they have offers or have people who are signing up for Phase IV and are not getting offers out to them until mid-December or so and that's short time for them to negotiate a deal, esp. if they want to appeal, and would be impossible to get that done and get negotiated that fast in order for them to have an offer made by December 31.

Polovitz asked what time length is before they have an offer if someone contacts the City and wants to sell their house in Phase

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IV; Mr Dean stated it would probably be within a couple weeks. It was stated that they would need an offer before December 31, and Mr. Dean stated that would be dependent on the date that they set to close Phase IV. It was noted that Phase I and II closed on October 1 and gave close to 90 days notice, and no new people allowed in I or II, (or Ia or III); Program IV is only program still open. There is not a deadline on Ia and III as to when a purchase agreement must be signed as they did in I and II. All applications are in on everything but Phase IV. Mr. O'Leary stated that by the end of the year the City would need to hear from who-ever wants to sell their house, that by the 15th of January must have received a purchase offer, and from 120 days all paper transactions, including redemption of voucher, would have to take place. It was stated that request for exemption of the voucher in any phase except IV would have to be on a case by case basis. Mr. O'Leary stated there are two issues here: that City issues voucher when City buys their house, but they don't redeem the voucher until they buy a replacement house, and will get a lot of requests for that as well, and is stating that have the voucher redeemed by April or

is void and only exception to that would be if someone has purchase agreement and house under construction and ask for specific date when believe it will be finished.

Tom Kuchera, Jr., 411 Pakenham Ave., stated they are in Phase Ia and are concerned and would like to request an extension in the voucher program, that this has been an extremely long and difficult process to go through, that there are lot of considerations in the buyout program had to take into consideration before moving along in the process, that they are dealing with the City in trying to determine what market he's in, in terms of buying a new house, until he knows what he is going to get from the City and are quite a bit apart and difficult to close on another property before December 31 until he knows where he ends up with the City. Glassheim stated that what they are contemplating would take care of this. Mr. Manske stated that this situation isn't that unique to the families that he and Mr. Dean are dealing with that are still in Ia and lot of IV's who are negotiating with the City to value, either in arbitration or waiting for appraiser from Fargo, and even so not sure can close by the end of the year and wouldn't allow Mr. Kuchera to use the voucher program; and recommended that they adopt a policy and allow a 120 day window as long as in some form of negotiation and that it is the City taking more time than the homeowner to get to point of value but to appoint a closing; and to include all phases so don't exclude anybody. Mr. Dean stated he looked through their files and identified (rough figures) 22 homes that would be eligible but probably not meet the deadline in Ia, have identified 1 in Phase I, 3 in Phase III and 37 and counting in Phase IV, (none in Phase II) that if they signed a purchase agreement today couldn't close in time for them to take advantage of the voucher. It was noted that closing drop dead date for the voucher redemption for all phases would be April 30. Mr.

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O'Leary suggested that in the meantime no more applications (except Phase IV) who would have to get a letter into the City requesting a purchase and City would have to respond to them by January 15, and they would have to redeem their voucher by April 30.

Beyer moved this as a motion to establish policy that all residents in Phase IV have to get letter into the City requesting a purchase by December 31, 1998, City would have to

respond with offer by January 15, and applicants would have to redeem their voucher by April 30, 1999; seconded by Polovitz.

Mr. Hanson stated that the voucher program isn't the City's intention to provide a \$10 or \$15,000 voucher to every home that buys out. Beyer stated that all the letters they have received from people have a legitimate reason. Glassheim stated that it's either this or say that it's close and also give ourselves the authority to review each one case by case with submission of time and date and purchase agreement, which was est. at up to 70 cases. Mr. Hanson stated that he has been informing people that in effect until they actually have closed on their home with the City, they have nothing to extend. Mr. Hanson stated he wanted it said that the voucher program doesn't necessarily have to go with all of the buyout programs.

Mr. O'Leary stated that they are going to have a separation when City starts buying property for dike alignment, there is going to be other Uniform Relocation Acts and other kinds of incentives, that City sold this program to HUD based on the fact that these people aren't going to have Uniform Relocation benefits and to encourage those people to reinvest in Grand Forks asap after the close out, but as gets closer and closer to dike construction time they start buying houses under the Uniform Relocation Act and those parties are going to have other benefits other than the voucher and that he understands that Howard Swanson has some concerns about making sure that there is a gap of time between the start of the new program and the stop of the old one to make sure that people aren't going to say they want Uniform Relocation Act but also want \$15,000 voucher.

Glassheim asked if they could add to motion that the actual signing with the City must take place by end of February and still end with the April date. Mr. Dean stated that would be a doable date, but not consistent with other dates they've had with other programs from time actually closed them to the time given them to provide a signed purchase agreement, that when city attorney's office sends letters out on January 15 for all Phase IV homes, those letters say they have 30 days to respond and 30 more days to negotiate agreement, and if get an appraisal would be hard to do. Beyer stated that any offer they have received by January 15 they have to have closed on their property to the City and closed on their new home so that vouchers can be redeemed by April 30, no vouchers redeemed

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after April 30. Mr. Dean stated that you are not eligible for a voucher until you close on your property with the City and it takes approx. 3 weeks to issue that voucher and if set a date that is the same for closing on a property and redeeming a voucher, will have someone come in and close on a property on April 28 and demand a voucher. Committee stated that they know that now - first part of November - and if get this in the media and say that this is the drop dead date and can say it in letter from the Info. Center explaining that if in Phase IV, this is how long it takes us so make sure have things done by April 30. Mr. Dean stated they have explained this many times and still many who do not understand it. Beyer stated that they have to be able to deobligate and reobligate these funds before run out of timeline, and that don't want pro-grams overlapping because make more confusing, and advertise the best they can.

Beyer stated that what's happening with Phase IV and seeing more people take it, that it's not what she envisioned Phase IV to be, and some residents going to have to make tough decisions by the end of December, to decide if they want to wait for relocation, hope that Shannon & Wilson find something, and that's choice they have to make for themselves. It was noted that there are 195 people who don't know their fate along the line, hard for them to decide whether to sell their house to the City without knowledge of whether their house can be saved or not, and will appear to them unfair, but appears we have given them enough time, and appears that they are forced to make decisions. It was stated that perhaps relocation benefits are at least as generous as what City has been offering, and would not likely lose by taking that option. Beyer stated that she doesn't think that anybody knows what relocation benefits are going to be maybe better off with relocation benefits, but don't know. Glassheim stated that this has happened before and what have read in their pamphlets suggests that it's more generous than what City has been offering because they seem to be closer to post-flood value rather than pre-flood value and have something re. house of similar quality and quantity but seems to be more generous than what City has been offering, which is pre-flood value plus \$10 or \$15,000, and they also have moving which should be close to the \$10,000 that we're offering anyway. Beyer stated that we don't know that. Polovitz stated that the main philosophy behind the voucher program was that they didn't have a place to live, and we wanted them to stay in Grand Forks and this was incentive to

have that happen; Phase IV residents are in a different situation - that they are in their homes, Phase IV was to get them out of a bind because transferring jobs, etc. and that wasn't sure that the voucher program was for Phase IV, and time to make a decision on it.

A resident in the audience asked if sell house to City and dike line moves, would they get first option to buy back. Beyer stated

to put that on Flood Response agenda. Mr. O'Leary stated that if

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we own property involved, but is legal question as to how to dispose of that property (rely on highest bid). Mr. O'Leary stated that there's another reason why have to stop this is because when buy this with CDBG money, and turn around and sell it, it becomes program income and will hamstring what you can do with it. a dike.

Mr. Manske agreed that there has to be a drop-dead date on this, and if require the participating family that get the final offer on January 15 to be closed with the City by either the end of February or sometime in March, that would provide them another six-week period to the end of April to have utilized the voucher that's redeemable from time of closing that should be done by February or March 1, not unlike Phase I and II where closed October 1 and gave those families that time frame to utilize their voucher. Mr. Dean stated that a March 1 date would work, and would have certain idea of what they are going to be buying; and voucher program can be used if you have a contract signed. Mr. Hanson stated you can redeem a voucher if title is transferred on the lot and are under contract to build a house, can redeem the voucher; the trigger is to close on the new property but problem with townhouse is can't close on them because of the type of property purchasing. Mr. Dean suggested a March 15 date. Beyer changed her motion to March 15 - that in order to qualify must have closed with City on the buyout of their home by March 15 and this would be on all phases.

Upon call for the question the motion carried.

Beyer moved the requests for extensions as follows: Ray Engen to February 24, 1999, Kevin and Paula-Dee Kallinen to January 30, 1999, Claire and Gary Karlstad to February 1, 1999, John T.

and Carolyn F. McCormack to April 1, 1999, and Dan Kratochvil to April 30, 1999; Polovitz seconded the motion. Motion carried.

3. Matter of annual action plan:

- a) Open public hearing
- b) approve annual action plan.

Sue Redman stated that committee has two things to consider for the 1999 annual action plan, first is to open a public hearing today so that anyone from the public who wants to comment on the proposed annual action plan can do so, and after the public hearing is closed need to take action on whether or not to recommend what has been proposed to the full city council for approval, and from there to HUD next week. She submitted copy of the funding proposals. Glassheim stated that they have already approved the 1999 CDBG funds. Ms. Redman stated that the annual action plan summarizes what the City is going to be doing with the Federal funds in the next year, particularly HUD monies, includes problems that homeless shelters have had and what needs to be done, and what try to do to get them to other sources of money.

Chairman Glassheim opened the public hearing for comments on the

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1999 program; and read the specific CDBG funding proposals are:
1. \$357,000 of renovation of multi-family housing - from 1 to 3 historic multi-family buildings which are acquired will be brought in and rehabbed.

2. \$57,000 proposed for special assessments for low and moderate income people on an unpaved road on N. 6th Street between Fenton and Conklin.

3. \$70,000 proposed for Grand Forks Affordable Housing Program which assists 20 to 25 families for up to \$2,000 to help qualify for loans with local lenders with down payments and closing costs.

4. Unprogrammed funds/public service are \$125,000 and not part of this year's grant but would be monies coming back to the City from program income from other activities and would be made available for the non-profit organizations (CVIC and others) which in the past have received CDBG funds.

5. Administration - \$150,000. This would also come from program income.

There were no comments and the public hearing was closed.

It was moved by Beyer and Polovitz to approve the annual action plan. Motion carried.

4. Request to add a position in Urban Development Office.

Mr. O'Leary stated this is request to add a position to their office - special projects coordinator, and is a position that he had talked to Human Resources about prior to the flood. He stated this person would be involved with is person who would be working on historic preservation, writing grant applications, and taking on special projects as they come on. The position would start immediately and have missed out on opportunities because this person not on board, someone with flexibility and time to take on things like Federal Home owned bank applications which they haven't pursued as aggressively as they might have as didn't have someone to do it. He stated that they charge back all of their salaries with exception of himself and part of Terry Hanson's salary to whatever program that individual happens to be working on, whether flood assistance, Housing Authority project, CDBG, program income from other sources so not talking about funds out of the General Fund but charging back to whatever project they'd be working on. He stated that this is not just because of the flood but is a position they really do need in their office, thinks a grade 18 but decided by the Civil Service Commission, but asking for this committee's authority to go ahead and create this position under the office of urban development and job description and details are enclosed in papers submitted.

Committee asked how fund if don't generate monies; Mr. O'Leary stated that since 1984 they've never laid anybody off, and only City money is part of his and Terry Hanson and Peggy Kurtz salary

and others are from program income and revenues they generate

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through Housing Auth., Community Development.

Moved by Beyer and Polovitz to approve creating the job description for special projects coordinator. Motion carried.

5. Matter of bids for electrical package for buildings remaining

downtown.

Mike Murie, EAPC, reported they received bids today for electrical package for buildings remaining downtown on 3rd

Street, to put electrical service panels back into buildings plus straightening out the alarm panels in all so that sprinkler systems are operable and those systems would not necessarily be turned on if the building is not being used but ready to go, some buildings unoccupied; low bid was Ron's Electric at \$107,750 and recommended awarding.

Moved by Polovitz and Beyer to accept the bid of Ron's Electric, Inc. in the amount of \$107,750. Motion carried.

6. Bouley stated she is concerned about some of the houses going into buyout on historic preservation aspect, magnificent homes that were not harmed, have character inside of the homes and exterior that the City could never duplicate again, and concern that if these houses go into buyout and home owners move elsewhere and have vacant and is open door for vandalism. Mr. Hanson stated that all Phase Ia and IV houses looked at to be rented and if go in there and determine that in order to get certificate of occupancy, it's going to cost too much money not occupy but approved one where had to go and put furnace in. Bouley asked if there was some way for these homes to be pushed to be rented because want to avoid the vandalism issue. Beyer stated that Holly is administering the program and she has a waiting list but if for larger homes no one on that waiting list. Bouley stated house are large and are on 4th Avenue S. and Central Park areas. Mr. Hanson stated that if habitable, will try to occupy them; and if have homes like that call either Holly or Joel Manske and let them know that this house should be occupied as soon as possible, that they have inspector go through house to determine what has to be done.

7. Glassheim stated what committee the matrix should be referred to, today it's been referred to finance committee but his understanding is that the matrix is under HUD money which Urban Development supervises and administers and writes checks on and that it should come to this committee, and need to do some talking about that, that it would be appropriate to come before this committee.

Meeting adjourned.

Alice Fontaine, City Clerk

Dated: 11/10/98.