

**Urban Affairs Council Committee  
Minutes**

**Monday, March 28, 2005**

**4:30 p.m.**

**Municipal Plaza "B" Room**

**Members Present:** Councilmember Julian Castro, Chair, District 7  
Councilmember Ron Segovia, District 3  
Councilmember Patti Radle, District 5

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**Absent:** Councilmember Roger O. Flores, District 1  
Councilmember Chip Haass, District 10

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**Staff Present:** Jelynne Burley, Assistant City Manager  
David Garza, Neighborhood Action Director  
Frances Gonzalez, Assistant City Manager  
Paula Stallcup, Neighborhood Action Assistant Director

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**Others in attendance:** Yonnie Blanchette, City Manager's Office; Brandon Smith, City Clerk's Office

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Chairman Castro called the meeting to order.

**1. Citizens to be Heard**

There were no citizens to be heard.

**2. Approval of Minutes of the Urban Affairs Council Committee Meeting of:  
January 10, 2005.**

The committee members present unanimously approved the Minutes of the January 10, 2005 Urban Affairs Council Committee Meeting.

**3. Deferred Payment with Perpetual Liens Review**

Presented by David D. Garza, Director of the Neighborhood Action Department and Andrew Cameron, Director of the Housing and Community Development Department: Jelynne LeBlanc Burley, Assistant City Manager

Mr. David D. Garza presented information on the Owner Occupied Rehabilitation Program Deferred Payments with Perpetual Liens. This includes the deferred loan chronology, a status report a letter to Communities Organized for Public Service (COPS) leaders and options for consideration.

Mr. Garza stated that the Owner Occupied Rehabilitation program was transferred to the Neighborhood Action Department in February 2001. A Recapture Provision regarding deferred loans (perpetual lien) was adopted in 2003 that was consistent with Community

Revitalization Action Group and Home Master Plan recommendations to reduce or eliminate first lien loans from CDBG and HOME Funds.

Mr. Garza detailed how 23 families, in 2004, chose not to participate in the City's Housing Rehabilitation Program due to the deferred loan requirement. Communities Organized for Public Service changed their minds to contact the 23 families to discuss and re-educate them on the policy and decided to maintain their stance to eliminate the deferred loan requirement.

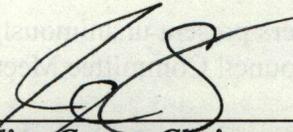
Mr. Garza gave an overview of the proposed policy for the Owner Occupied Rehabilitation Program which states: A perpetual lien will ensure that upon sale or transfer of the property, the City will receive the total rehabilitation costs invested or 50% of the appraised value of the property (whichever is less).

Mr. Garza presented 3 options for consideration by the Urban Affairs Committee: 1) Maintain Perpetual Lien Policy that helps provide additional funding to augment the City's CDBG annual allocation. 2) Amend the perpetual lien policy to a 20-year Deferred Forgivable Loan (Proportionately forgiven over a 20 year period). 3) Amend the perpetual lien policy to a 15-year Deferred Forgivable Loan (Proportionately forgiven over a 15 year period).

It was the consensus of the committee members to forward said item to a "B" Session for a briefing before the entire City Council.

**There being no further discussion, the meeting was adjourned at 5:15 p.m.**

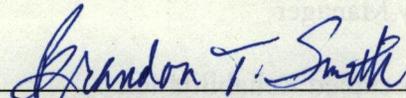
*Copies of these presentations are made part of the file and are available upon request.*



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**Julian Castro, Chairman**

**Respectfully Submitted,**



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**Brandon T. Smith  
Administrative Assistant II  
Office of the City Clerk**