

**2011 STAFF REVIEW OF PROPOSALS FOR  
COMMUNITY/NEIGHBORHOOD DEVELOPMENT RESERVE FUNDS**

**(Housing Development funds, Affordable Housing Trust Funds, Facility Acquisition/Rehab Funds, Future Funds)**

1. **Project Name/Title:** Common Wealth Development Subordination Request
2. **Agency Name:** Common Wealth Development, Inc
3. **Requested Amount:** n/a
4. **Project Type:** New Project or  Continuing Project
5. **Framework Plan Objective Most Directly Addressed by Proposed Activity:**  
D: Rental Housing- Expand the number of affordable housing rental units and/or improve the quality and/or diversity of units available to lower individuals throughout the community.
6. **Product/Service Description:**  
Common Wealth Development provides affordable rental housing for low-moderate income families primarily in the Williamson/Marquette neighborhood.
7. **Anticipated Accomplishments (Numbers/Type/Outcome)**  
Refinance of debt on 1343 Williamson St, 1406 Williamson St and 1501 Williamson St will provide Common Wealth Development with equity to make improvements at other properties.

**8. Staff Review**

Common Wealth Development used CDBG funds for acquisition and rehab of 1343, 1406 and 1501 Williamson. The current first mortgage balance is at \$132,767. CWD is seeking to increase the first mortgage by \$220,000 to create equity in other development projects. CWD has requested that the City subordinate their existing liens to this new amount. Appraisal have been reviewed on all three properties, the total CLTV with the new loan amount would be 50%. Well below the allowable value of 115% in the Framework.

1343 Williamson has \$76,264 CDBG funds invested at 25% of the value of the property  
 1406 Williamson has \$95,000 CDBG funds invested at 31% of the value of the property  
 1501 Williamson has \$8,197 CDBG funds invested at 1% of the value of the property

All values are within our guidelines. CWD audit shows they are financially capable of handling the new first mortgage amount.

**Total Cost/Total Beneficiaries Equals:**

**CD Office Funds/CD Eligible Beneficiaries Equals:**

**CD Office Funds as Percentage of Total Budget:**

**9. Staff Recommendation:**

Approve subordination of the existing City loans to a new first mortgage amount of less than or equal to \$360,000.

Technical and Regulatory Issues	Project information
Within unit, capital, mortgage limits	YES
Within Subsidy layering limits/ analysis	YES
Environmental Review issues	NO
Eligible project	YES
Conflict of interest	NO
Church/State issues	NO
Accessibility of program	OK
Accessibility of structure	OK
Lead-based paint issues	NO
Relocation/displacement	NO
Zoning restrictions	NO
Fair Labor Standards	NO
Vulnerable populations	NO
Matching Requirement	NO
Period of Affordability for HOME funds	NO
Site and neighborhood Standards	NO
Supplanting issues	NO
Living wage issues	NO
MBE goal	N/A
Aldermanic/neighborhood communication	OK
Management issues:	NO