

Memo

To: CDBG Committee

From: Bill Clingan, CDD Director

Date: October 28, 2011

Subject: Genesis resolution

On November 30, 2005, the City of Madison CDBG Office loaned Forward Community Investments (formerly the Dane Fund) \$1,093,100. These funds were then loaned to the Genesis Investment Fund, LLC for the business incubator located at 313 W. Beltline Hwy. The Mayor was recently contacted by Genesis representatives to request their \$1,093,100 loan with Forward Community Investments be forgiven. Currently this property is in receivership and is in the process of a foreclosure. If a foreclosure were to occur, the City would not receive any repayment as this loan is in second position. Regardless of whether there is a foreclosure or if the loan is forgiven, the City will be forced to write off this loan as non-collectible funds. As a matter of public policy, the Mayor is asking that the CDBG Committee, BOE and Common Council determine the outcome of the Genesis request.