

September 17, 2009

TO: The CDBG Commission and Madison City Council

FR: Timothy Johnson, 5714 Russett Road #3, Madison

RE: Request to reduce my NOAH loan due to a change in circumstances

1. Due to a change in circumstances, I would like to request that my NOAH loan of \$62,000, which I received when I closed on 5714 Russett Road in July 2003, either be forgiven or reduced to \$15,000. I have been told that it would need to get my request for either forgiveness or reduction to the city council. CDBG Commission, I request that you forward my request on to the full city council.
2. My change in circumstances is this: my girlfriend, who lives in California, shared with me her dreams to be a mother. We talked about it, and I decided to help her achieve her goal. Unforeseen by both of us, we hit the jackpot and are now pregnant with twins! Mother and babies are doing fine, but, due to various issues in her life, she needs to stay in California. We have talked about the idea of me being a stay-at-home dad, as she wants to go back to work. Needless to say, this means big changes for me, but changes that I actually am looking forward to.
3. The issue that needs resolving: I bought 5714 Russett, my home which I have owner-occupied since July 2003, through Project NOAH (Neighborhood Owned Affordable Housing). NOAH is funded through federal CDBG monies, as managed by the city of Madison and Project Home. In a nutshell, NOAH requirements are that I have at least two "income eligible" units in my 4-unit building, have rent caps depending on the number of bedrooms, and that I owner-occupy. In exchange, I received \$62,000 in a 0% deferred payment second mortgage, which went toward the downpayment and does not need to be repaid as long as I meet all criteria. NOAH owners are usually placed in "challenged" neighborhoods, such as Russett, and having owner-occupants are seen as helping to stabilize a neighborhood. I took my understanding of this goal – helping to stabilize my neighborhood – to heart and many times went above and beyond the call of duty.
4. I also definitely met the requirement of providing affordable housing, as I was charging a monthly rent of \$650.00 per month for a three bedroom, and even charged that same rent on my one non-NOAH unit. \$650 per month on a three bedroom was well below the NOAH standards and well below market for Madison. I without question went above and beyond the call of duty in providing affordable housing for deserving tenants.
5. Right now, to sell the property is not a viable option under current market conditions. And when I move to California and would therefore no longer owner-occupy 5714 Russett, under the terms of the NOAH loan, I will need to re-pay the \$62,000 at a whopping 12% interest! This will be very challenging for me, when I plan on not working full-time to be at home taking care of my children.

6. My understanding with the CDBG office is that, if I pay back the \$62,000 in full, while I am owner-occupying 5714 and in full compliance with NOAH requirements, then I will not be subject to the 12% interest.
7. So why would you, the city council, be willing to either forgive or reduce my NOAH loan? For two reasons, (1) the general public policy of both the federal government, and by extension the city of Madison, is to encourage strong healthy stable family units – I can most effectively accomplish this public policy when I am near my family; and (2) in consideration of all my uncompensated, tireless and endless efforts I have made in trying to improve and stabilize my neighborhood, going well above and beyond what any NOAH owner has ever done in the history of the NOAH program.
8. Examples of my volunteer work on behalf of my neighborhood are numerous:
 - A. I was for two years on the Southwest Neighborhood Planning Committee, and I spent hours and hours of uncompensated volunteer time trying to get our written Southwest Plan ready to be published. As I recall, there was considerable pressure to get the SW Plan approved and available to the public. I spent many hours at the City Planning Office on Saturdays and Sundays, working directly with Jule Stroick of City Planning, trying to get the SW Plan completed. I was also on a sub-committee to further proof the SW Plan, and as I can best recall, I never missed a committee meeting.
 - B. During this time, I was also interviewed by numerous media to discuss problems on the SW side, including being on a panel on a Channel 3 public affairs show with Chief Wray, Mayor Dave, myself and a representative from a northside neighborhood.
 - C. When we had a graffiti outbreak two years (including my own building getting tagged with the giant 4CH gang tag (Four Corner Hustlers- a Chicago based gang), I have tracked the problem with a graffiti picture board and I carried that picture board around to all kinds of city meetings. I made the cover of the Capital Times in October 2007 for my graffiti picture board efforts.
 - D. For nearly five years, I have been trying to get a group of caring, concerned owners & managers from Russett Road to meet and brainstorm solutions to the problems of our neighborhood. We have met with other owners groups to learn, and I have facilitated and led those meetings, putting together our Russett Road contact list.
 - E. I have served on my neighborhood association board for the past five years or so and for the past two years I have also coordinated our neighborhood watch, using the model of having a yahoo group listserv as Orchard Ridge neighborhood has done.
 - F. I also was an unpaid volunteer with the Meadowood on the Move project, coordinated by Carol Lobes, which was a grant program to survey people in our immediate neighborhood of Russett, Raymond and Balsam.

- G. In 2007, I facilitated a Youth Activity Fair held at Good Shepherd Church, in an attempt to provide some opportunities for the many youth in my neighborhood.
- H. I have tirelessly handed out flyers in my neighborhood about different neighborhood/community building events going on – Meadowood community garden, Meadowood community suppers, etc.
- I. If I had not been planning to move to California to be with my twins, I was going to be the designated NOAH mentor to other new NOAH owners – to assist these new owners in the ups and downs of the landlord business. In fact, if anyone was a poster child for the NOAH program, it was me.
9. I recognize that you, city council, all you can do is say no to my request. But in addition to all my volunteer work in trying to make a better neighborhood, for those of you who are parents, I would ask you to think about how you would feel if you had to be separated from your children. I am not rich, by any means. The landlord business, for me, was break-even at best. I work two jobs, working with adults with developmental disabilities, and I have done this work for many years. I have served my country for 20 plus years in the National Guard. It will be a struggle for me to come up with the \$62,000 in cash, and I am doing everything I can. By the time you read this, I should have my website up, helpmebewithmytwins.com, in which I am actively asking for donations to raise the \$62,000.
10. For all the reasons cited, I ask you – I beg you – to please forgive the \$62,000 or if not that, please reduce the amount due to \$15,000. If not that, then I am more than willing to negotiate a fair reduction. Thank you all for your consideration. I will probably be the only person who ever needed to get city council approval to be a full-time parent for my children.

Timothy Joel Johnson