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APR 9 2010

CDBG

April 5, 2010

Sue A. Wallinger, CDBG Grants Administrator  
215 Martin Luther King Jr., Blvd.  
Madison, WI 53701-2985

Dear Sue,

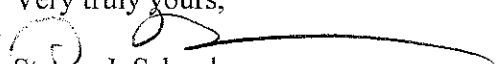
This letter is written to request a change of the current agreements in place that have a deferred shared-appreciation loans for Porchlight's recent developments 325 East Mifflin Street, 519 East Johnson Street and 5016 Camden Road. Currently, Porchlight has with the City, deferred shared-appreciation loans of \$239,255 for 325 East Mifflin Street, \$119,116 for 519 East Johnson, and \$170,000 for 5016 Camden Road.

The CDBG Commission changed its framework in 2009 to eliminate the previous requirement that loans offered through the Commission where the source of the underlying funding is grant funding, be treated as deferred loans with shared appreciation. The current practice in most circumstances is to offer straight deferred loans without any shared appreciation. Porchlight had three projects that closed toward the end of 2009 during the time the CDBG Commission was considering and adopting the change from shared-appreciation to straight deferred loans. The closings for these properties occurred on September 30, 2009 for East Mifflin and December 29 for Camden Road and 30 for Johnson Street. These were all competed as deferred shared appreciation loans because the resolutions approving these loans were adopted prior to the CDBG's change in its overall treatment of these loans.

There really is no reason why all three of these loans should not be treated as straight deferred loans. The policy reasons for making the change apply equally to these loans as they do to loans that were made this year or in subsequent years, particularly since they were completed either while or immediately after the CDBG Commission determined to change its policy. Moreover, the City did receive a considerable benefit from the shared appreciation from the sale of Henry Street which was the basis for the rollover into Mifflin and Johnson Streets. Changing these loans to be consistent with current practice would not require an overall change of all loans since these loans were closed either while the CDBG Commission was changing its policy or immediately after the policy change was approved.

Therefore, Porchlight requests that the shared-appreciation loans for 325 East Mifflin Street, 519 East Johnson Street and 5016 Camden Road be amended to be simple straight deferred loans. Thank you for consideration of this request and please let me know when this will be placed on the Commission agenda.

Very truly yours,

  
Steven J. Schooler  
Executive Director  
Porchlight, Inc.

"Solutions to Homelessness"

**PORCHLIGHT, INC.**

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