



Legislation Details (With Text)

**File #:** 00318      **Version:** 1      **Name:** CDBG/HOME funds - Goodwill Industries - Old Middleton Road Apartments, Inc.

**Type:** Resolution      **Status:** Passed

**File created:** 1/18/2005      **In control:** BOARD OF ESTIMATES (ended 4/2017)

**On agenda:** 2/22/2005      **Final action:** 2/22/2005

**Enactment date:** 3/1/2005      **Enactment #:** RES-05-00140

**Title:** Permitting the CDBG/HOME funds previously approved to assist Goodwill Industries acquire a property on Old Middleton Road be transferred to a single purpose non-profit corporation called Old Middleton Road Apartments, Inc., in order to receive HUD Section 811 funds and continue to address City Community and Neighborhood Development Objectives.

**Sponsors:** Cindy Thomas, Austin W. King, Brian Benford

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
2/22/2005	1	COMMON COUNCIL	Adopt	Pass
2/14/2005	1	BOARD OF ESTIMATES (ended 4/2017)	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
2/1/2005	1	COMMON COUNCIL	Refer	Pass
1/27/2005	1	CDBG Office	Fiscal Note Required / Approval	
1/27/2005	1	Finance Dept/Approval Group	Approved Fiscal Note By The Comptroller's Office	
1/27/2005	1	CDBG Office	Referred for Introduction	

**Fiscal Note**

The Council approved \$280,000 in Federal CDBG and HOME dollars in November 2003 to help Goodwill acquire the property. To date, approximately \$262,000 has been expended for acquisition and closing costs; the remainder of City funds will be expended for demolition costs. The City funds are currently secured by a 1st mortgage on the property. HUD has committed an estimated \$635,400 for development of the project. Upon the establishment of a single-purpose organization, the City loan will be subordinate to the HUD financing. Based on CDBG staff analysis, the subordinate mortgage will meet the CDBG threshold criterion of 115% loan to value ratio.

**Title**

Permitting the CDBG/HOME funds previously approved to assist Goodwill Industries acquire a property on Old Middleton Road be transferred to a single purpose non-profit corporation called Old Middleton Road Apartments, Inc., in order to receive HUD Section 811 funds and continue to address City Community and Neighborhood Development Objectives.

**Body**

WHEREAS the Common Council approved the provision of CDBG/HOME funds to Goodwill Inc. in November 2003 to help acquire a property on Old Middleton Road;

WHEREAS the plan was to have Goodwill apply for additional construction funds to HUD under the Section 811 program;

WHEREAS HUD has awarded Goodwill the Section 811 funds, but normally requires the establishment of a separate single-purpose corporation in order to contract for and operate the housing;

WHEREAS the CDBG Commission and staff have reviewed the proposal and recommend its adoption in order to

promote the provision of scattered site affordable housing throughout the community;

WHEREAS Goodwill has utilized a portion of the CDBG/HOME funds to secure the site so that it would be eligible to obtain the HUD grant, and now is in the process of forming a single-purpose organization called Old Middleton Road Apartments, Inc., to receive the HUD grant and develop the housing;

NOW THEREFORE BE IT RESOLVED that the Common Council authorize the Mayor and the City Clerk to enter into an agreement that permits the transfer of the CDBG/HOME mortgage to Old Middleton Road Apartments Inc., with the express provision that the previous obligations of Goodwill under the loan documents are assumed by Old Middleton Road Apartments, Inc.