



Legislation Text

File #: 30081, **Version:** 1

Fiscal Note

No appropriation is required to amend the loan documents as proposed. There is no impact on the local levy.

Title

Authorizing an amendment to the loan documents of previously allocated HOME and HOME match funds to Goodwill Industries of South Central WI, Inc. for the rehabilitation of three affordable rental housing properties.

Body

Three resolutions approving the allocation of funds to Goodwill Industries of South Central WI, Inc. were passed by the Common Council on 7/19/2011. The City of Madison CD Division entered into contracts with Goodwill Industries of South Central WI, Inc. in the amount of \$18,000 to rehab 10 rental units at 2502 Perry Street, \$37,000 to rehab 10 rental units at 301 N. Third Street, and \$45,000 to rehab 8 rental units at 73 Sunfish Court. All of the resolutions indicated the funds would be available in the form of a deferred loan secured by a mortgage, promissory note and land use restriction agreement.

The final payment for rehabilitation work was made 10/17/2012. The mortgages, promissory notes and land use restriction agreements indicating Goodwill Industries of South Central WI, Inc. as the owner of the properties were signed and filed. This was later discovered as being in error; the entity with ownership of the three properties is actually Goodwill Industries of Madison Special Living Arrangements, Inc. The loan documents need to be amended to reflect the name change and to ensure the loan documents are between the City of Madison and Goodwill Industries of Madison Special Living Arrangements, Inc.

WHEREAS, the CDBG staff and Committee have previously reviewed these projects and found that they further the goals expressed in the Five-Year Community and Neighborhood Development Plan and the Action Plan; and

WHEREAS, the proposed amendments to the loan documents are technical in nature and do not substantially alter the project scope as previously presented to the CDBG Committee and the Common Council; and

WHEREAS, the CDBG staff have reviewed the proposed amendments and find them necessary and reasonable while still adequately ensuring a reasonable risk to the City.

NOW, THEREFORE, BE IT RESOLVED that the Common Council authorize the Mayor and the City Clerk to execute loan documents to reflect the correct ownership of the properties at 2502 Perry Street, 301 N. Third Street and 73 Sunfish Court, so that the loan documents are between the City of Madison and Goodwill Industries of Madison Special Living Arrangements, Inc.