



Legislation Text

File #: 10024, **Version:** 2

Fiscal Note

\$29,441 in Federal ESG funds are available within the Housing Development Fund and \$31,000 of ESG funds will be repaid prior to the implementation of the project.

Title

SUBSTITUTE - Authorizing the provision of Emergency Shelter Grant (ESG) funds to assist Interfaith Hospitality Network (IHN) to renovate Office space to serve families in ways that address City, Community and Neighborhood Development Objectives.

Body

AGENCY:

Interfaith Hospitality Network (IHN) is a local community-based agency established to serve homeless families with children unable to succeed within the traditional homeless system. The organization initially used volunteers and the spare space of religious organizations to provide support, basic shelter, and referral. They now serve approximately 60 families each year, coordinating the contributions of over 50 religious and community organizations.

PROJECT:

IHN has partnered with several private rental property owners and religious organizations to place its families in vacant apartments, and to provide support services for up to twenty-four months, operating from an Office leased from a church on University Avenue. The church is now in the process of selling the building and IHN has negotiated a lease for a new office and day center on Olin Avenue. The proposal would provide funds toward leasehold improvements that would permit IHN to continue to serve families. The owner of their current site is obligated to pay back to the City a portion of the funds used on that site for remodeling. The project, if approved, is designed to move ahead only on the repayment of these earlier funds to the City.

ACTION:

WHEREAS, the ESG program, as amended, and its implementing regulations located at 24 CFR Part 590ff, permit the City of Madison to help community agencies in the provision of assistance to homeless families;

WHEREAS, CD staff and the CDBG Commission have reviewed this proposal and find that it furthers the goals expressed in the Five-Year Community and Neighborhood Development Plan;

NOW, THEREFORE BE IT RESOLVED, that the Common Council approve the provision of funds for the following project, and authorize the Mayor and the City Clerk to enter into an agreement with:

Interfaith Hospitality Network or a related affiliate for up to ~~\$60,000~~ \$61,300 in ESG funds toward renovation of its new office space and day center;

BE IT FURTHER RESOLVED that the assistance be offered on terms adopted in the 2007-2008 Framework for Community and Neighborhood Development, such that the assistance to the organization be offered in the form of a deferred payment loan payable upon change of use or sale, with repayment equal to the greater of the amount of either the HOME, Home Match, or other funds invested in the property or the percent of appraised value that the funds represent in the value of the property., with the proviso that the funds not be forgiven over the ten year period and that the entire amount need be repaid to the City upon move or change of use.

NOTE: The Proposal describing the above project and the CD staff and CDBG Commission recommendation are available on file in the Council Office and in the CD Office.