



Legislation Text

File #: 33574, **Version:** 1

Fiscal Note

The Resolution effectively changes the terms of the repayment by the CDA to the City for a City-held note in the amount of \$392,000 to enable the CDA to more readily meet affordability targets, but there is no change in the overall terms of the mortgage. No appropriation is required.

Title

Amending Enactment No. RES-08-00057 and authorizing the Mayor and City Clerk to execute a partial releases of mortgage for CDA-owned lots in the Allied Drive area

Body

Preamble:

On January 22, 2008, the Common Council adopted Enactment No. RES-08-00057, File No. 08380 (the "2008 Resolution"), which authorized the redevelopment of the Allied Drive area by the Community Development Authority (CDA), the conveyance of City-owned lands to the CDA, and the provision of approximately \$9m in City funds to assist in the redevelopment. The CDA has redeveloped a portion of the lands into a 49-unit multi-family apartment project known as Revival Ridge. The remainder of the lands that were the subject of the 2008 Resolution was replatted into 28 lots. The CDA initially intends to develop Lots 4 through 28 as single-family homes called Mosaic Ridge. Lots 1 through 3 will be developed later as multi-family housing.

The 2008 Resolution made the conveyance of City-owned lands to the CDA contingent upon the CDA's execution of a note and mortgage payable to the City in the amount of \$392,000. The CDA also agreed to certain affordability targets, employment opportunity and training goals, and use of sales proceeds from the sale of land. All of the Lots in Mosaic Ridge are encumbered by the mortgage from the CDA; the \$392,000 is to be repaid by the CDA upon its sale of the first lot in Mosaic Ridge.

The CDA has proposed that the City provide partial releases of mortgage for Lots 4 through 28 at no release price so the CDA can sell those Lots at prices and terms to meet the affordability targets set forth in the 2008 Resolution. The CDA has proposed that the City's mortgage would remain on Lots 1 through 3, Mosaic Ridge, and would be paid in full when those Lots sell. The CDA has requested that the City amend the 2008 Resolution to allow the CDA to sell Lots 4 through 28 without paying the City a release price to permit the CDA to sell those Lots at prices and terms to meet affordability targets in Mosaic Ridge.

Now therefore, be it resolved that:

1. Enactment No. RES-08-00057 is amended to:
 - (a) permit the CDA to convey Lots 4 through 28 of Mosaic Ridge for development as single family housing, without the payment of a release price to the City;
2. All other terms and conditions of Enactment No. RES-08-00057 shall remain the same.
3. The Mayor and City Clerk are authorized to execute partial releases of mortgage for Lots 4 through 28 prior to the sale of each Lot, all in a form to be approved by the City Attorney.