



Legislation Text

File #: 01577, **Version:** 1

Fiscal Note

The Resolution will allow for the continuation of the long-term deferred loan of \$8,000, which would generally be paid to the City upon sale of the property, but in this case the obligations of the loan will be assumed by the new owner.

Title

Authorizing the Mayor and City Clerk to execute an Assignment and Assumption Agreement and Subordination of Mortgage regarding a loan made to fund the rehabilitation of 1865 Fisher Street.

Body

WHEREAS, in 1986 the City of Madison (the City), through its Section 17 Loan Program, made a long term deferred loan of \$8,000 (the Loan) to Madison Mutual Housing Association, Inc. (MMHA) for the purpose of assisting the rehabilitation of a two-unit apartment building located at 1865 Fisher Street (the Property); and

WHEREAS, MMHA desires to sell the Property to Mr. Larry Jackson, who intends to continue leasing the Property to low- and moderate-income tenants; and

WHEREAS, the Loan is secured by a mortgage on the Property (the Mortgage) which shall be subordinated to the first mortgage lien of Park Bank; and

WHEREAS, MMHA, by letter to the CDA dated February 15, 2005, requested that the City approve of Mr. Jackson's assumption of the Loan and Mortgage and all of MMHA's obligations thereunder.

NOW, THEREFORE, BE IT RESOLVED:

1. Approval of Loan Assumption. The Common Council does hereby approve of the assumption of the Loan and Mortgage and all of MMHA's obligations thereunder by Larry Jackson.
2. Executions. The Mayor and City Clerk are hereby authorized to execute an Assignment and Assumption Agreement with MMHA and Larry Jackson and a Subordination of Mortgage in favor of Park Bank in forms as shall be approved by the City Attorney consistent with this Resolution.
3. General Authorizations. The Mayor and City Clerk are hereby authorized to execute, deliver, publish, file and record such other documents, instruments, notices and records and to take such other actions as shall be necessary or desirable to accomplish the purposes of this Resolution and to comply with and perform the obligations of the City hereunder.