



## Legislation Text

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**File #:** 23831, **Version:** 1

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### **Fiscal Note**

There is no fiscal impact.

### **Title**

The request from Victoria M. Frank & Rajan Shukla to revise their NOAH loan terms to rent both units of their duplex to eligible, low-income households under terms of the federal HOME program.

### **Body**

In 2006 the City of Madison provided a loan of \$75,480 in federal HOME funds to Victoria M. Frank and Rajan Shukla (the "Owners") to acquire a duplex at 2322 Superior Street.

The loan was provided through a program administered by Project Home, Inc. called the Neighbor-Owned Affordable Housing (NOAH) Program and its purpose was to increase the number of affordable, owner-occupied rental housing units in the City of Madison. Under the terms of the loan the Owners agreed to occupy one unit of the duplex and lease the second unit to an eligible low-income household at an affordable rent. The loan is long-term deferred with no payments due until the property is sold. The repayment amount is \$75,480 or 42.76% of the value of the property at the time of sale, whichever is greater.

WHEREAS, the Owner's circumstances have changed and they have requested that the City waive the condition of the loan that requires them to live at the property. In exchange, they would agree to lease both units of the duplex to low-income households at affordable rent and abide by all of the other conditions of the federal HOME program; and

WHEREAS, the CDBG staff have reviewed this proposal and find that it furthers the goals expressed in the 2010-2014 Five-Year Community and Neighborhood Development Plan and the 2011 Community Action Plan; and

WHEREAS, the successful completion of this project will provide additional permanent, affordable rental housing for low-income people;

NOW THEREFORE BE IT RESOLVED, that the Common Council approve the request of Victoria M. Frank and Rajan Shukla to revise the terms of their loan agreement with the City of Madison and move from the property at 2322 Superior Street and to lease both units of that duplex to eligible, low-income households under the terms of the federal HOME program.

BE IT FURTHER RESOLVED, that the City staff are authorized to draft the appropriate documents to complete this transaction.