



## Legislation Text

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**File #:** 30735, **Version:** 1

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### **Fiscal Note**

No appropriation is required and there is no impact on the City levy.

### **Title**

Approve Common Wealth Development's request to waive the 2013-2014 CDD Program Goals and Objectives loan-to-value ratio limit for the 2013 SW Rental Acquisition & Rehab project.

### **Body**

Common Wealth Development (CWD) has an accepted offer to purchase 8 units of affordable rental housing at 2005-2009 Leland Drive using previously authorized funds of up to \$463,050 (authorized through the 2012 and 2013 operating budgets). The project will exceed the 115% loan-to-value limit outlined in the 2013-2014 CDD Program Goals and Objectives and therefore needs a waiver to this requirement.

WHEREAS, the CDBG staff and Committee have reviewed this project and find that it furthers the goals expressed in the 2010-2014 Five-Year Community and Neighborhood Development Plan and the 2013 Action Plan; and

WHEREAS, the acquisition and rehab of these units will ensure permanent, affordable rental housing for low-income people; and

WHEREAS, the loans necessary to complete the rehabilitation result in a higher than average loan-to-value ratio while not necessarily increasing the risk to the City; and

WHEREAS, the risk to the City is greatly minimized by the following factors: Common Wealth Development has a strong record of performance and responsibly using public funds to increase the stock of affordable housing for low-income people while revitalizing and stabilizing distressed neighborhoods; CWD has worked extensively on the Southwest side over the past year, including hiring a Housing Community Organizer in 2012, which increases the likely success of the project; Property values are likely to increase if the planned Southwest side projects and revitalization efforts are successful; CWD is in a unique position to provide much needed quality property management practices and community development expertise to this challenged set of properties and neighborhood; and the project would not likely be undertaken but for the City's commitment of funds, resulting in a lost opportunity to advance neighborhood stabilization efforts while adding affordable rental housing; and

WHEREAS, the CDBG staff and the CDBG Committee have reviewed this request for a waiver and find that it merits an exception while still adequately ensuring a reasonable risk to the City.

NOW, THEREFORE, BE IT RESOLVED that the Common Council approve Common Wealth Development's request to waive the 115% loan-to-value limit for this 2013 SW Rental Acquisition & Rehab project and allow a loan-to-value ratio of up to 130%.