



Legislation Text

File #: 26478, **Version:** 1

Fiscal Note

Sufficient Federal HOME, HOME Match &/or Scattered Site funds of \$139,100 are available for this project within the Community Development Division's Housing Development Reserve Fund, which was authorized as part of the CD Division's 2012 Adopted Operating Budget.

Title

Authorizing up to \$139,100 in Reserve and/or Scattered Site Funds to assist Housing Initiatives, Inc. to acquire and rehabilitate rental housing in 2012.

Body

Housing Initiatives is a local community-based agency that provides permanent, affordable rental housing to people who are homeless and disabled through chronic mental illness. Housing Initiatives acquires and rehabilitates property, manages the property as affordable housing, and actively assists their tenants in maintaining case management services.

Housing Initiatives proposes to purchase and rehabilitate a four (4) unit property with two 1-BR and two 2-BR units at 706 Pinecrest Drive to provide affordable rental housing for people who have a chronic mental illness disability and are homeless. HII has an accepted Offer to Purchase for this vacant, bank-owned foreclosed property.

ACTION:

WHEREAS, the CDBG staff and the CDBG Committee 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 2012 Community Action Plan; and

WHEREAS, this project is eligible based on the 2011-2012 Community Development Program Goals and Priorities; and

WHEREAS, the successful completion of this project will add to the permanent, affordable rental housing stock which is in high demand for low-income homeless people who are disabled through chronic mental illness; and

WHEREAS, the successful completion of this project will also meet the high priority of converting foreclosed multi-unit properties; and

WHEREAS, receipt of up to \$139,100 in Reserve Funds from the CDD is contingent upon Housing Initiatives, Inc. obtaining sufficient financing to complete the project while maintaining 115% secured loan to value ratio.

NOW, THEREFORE, BE IT RESOLVED that the Common Council approve up to \$139,100 in Reserve Funds of which up to \$30,041 will be Scattered Site funds, and authorizes the Mayor and the City Clerk to enter into an agreement with Housing Initiatives, Inc. to provide funds to create four units of affordable rental housing.

BE IT FURTHER RESOLVED that the assistance be provided as a long-term deferred loan under the terms adopted in the 2011-2012 Community Development Program Goals and Priorities contingent upon Housing Initiatives, Inc. obtaining a post-rehabilitation appraisal that supports a maximum of 115% secured loan to value ratio and sufficient financing to complete the project.