



Legislation Text

File #: 18574, **Version:** 1

Fiscal Note

\$308,000 in Federal HOME or HOME Match funds are available in the CDBG 2010 Adopted Operating Budget to support the rehabilitation and operation of the Housing and Hope Phase II program.

Title

Authorizing the Mayor and City Clerk to execute a loan agreement with The Road Home Dane County, Inc. to provide up to \$308,000 in HOME or HOME Match funds to acquire one or more buildings to be used as part of the agency's Housing and Hope program.

Body

The Road Home Dane County and Meridian Group have partnered to purchase 16 units of housing in two 8-plex buildings on Vera Court as part of Housing and Hope Phase I. The properties were rehabilitated to include 15 units of housing suitable for formerly homeless households with children and one combination community space/case manager office. The Road Home received \$281,750 in HOME and \$26,250 in Affordable Housing Trust Fund money, as part of the \$2 million dollar project which includes a \$1 million operating endowment fund. The Road Home is again partnering with Meridian Group to purchase an additional 16 units as part of Phase II. HOME or HOME Match funds will be used to acquire property at a location to be identified and approved by the CDBG Office before December 31, 2011. Six (6) of the units will be designated as HOME units meaning that they will be kept as affordable for at least 15 years; the balance of the project will be paid for with other funds raised and administered by The Road Home as part of their capital campaign. HOME or HOME Match funds shall be provided in the form of a 15-year term-deferred payment loan secured by a mortgage and evidenced by a note and land use restriction agreement in favor of the City.

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 2010 Community Action Plan; and

WHEREAS, the acquisition of this property and designation of 6 HOME units will ensure that these units are created and maintained as affordable housing for a previously homeless population for at least 15 years,

NOW, THEREFORE, BE IT RESOLVED that the Common Council authorizes the City to enter an agreement with The Road Home Dane County, Inc. or a single member LLC for HOME or HOME Match funds up to \$308,000 to acquire housing for which 6 units will be secured by a mortgage, promissory note and Land Use Restriction Agreement and remain affordable per HOME requirements, and authorize the Mayor and City Clerk to execute all necessary documents consistent with the intent of this resolution.