Legislation Details (With Text)

File #:	30735	**Version:**	1	**Name:**	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.
Type:	Resolution			**Status:**	Passed
File created:	6/25/2013			**In control:**	BOARD OF ESTIMATES (ended 4/2017)
On agenda:	8/6/2013			**Final action:**	8/6/2013
Enactment date:	8/9/2013			**Enactment #:**	RES-13-00586

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.

Sponsors: Maurice S. Cheeks, Lauren Cnare, Matthew J. Phair

Indexes:

Code sections:

Attachments: 1. CWD 2013 SW Rental Acq-Rehab Waiver Memo to CDBG.pdf, 2. Letter from CWD to Waive Loan to Value.pdf, 3. Map of site.pdf

Date	Ver.	Action By	Action	Result
8/6/2013	1	COMMON COUNCIL	Adopt	Pass
7/29/2013	1	BOARD OF ESTIMATES (ended 4/2017)	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
7/11/2013	1	COMMUNITY DEVELOPMENT BLOCK GRANT COMMITTEE	Return to Lead with the Recommendation for Approval	Pass
7/2/2013	1	BOARD OF ESTIMATES (ended 4/2017)	Refer	
7/2/2013	1	COMMON COUNCIL	Refer	Pass
6/26/2013	1	Community Development Division	Referred for Introduction	

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%.

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