



Legislation Text

File #: 13816, **Version:** 1

Fiscal Note

The City made a loan of HOME funds to Operation Fresh Start to help them acquire property at 1109 Pflaum Rd. to provide affordable owner-occupied housing to low or moderate income. The loan is secured with mortgages on the properties. The organization now seeks to borrow \$85,650 from Anchor Bank to complete construction of a home at 5301 Maher Ave. that requires a first mortgage. This resolution would permit subordination of the CDBG Office loans to a new loan from Anchor Bank provided the total loan-to-value of both properties does not exceed 115% as allowed in the CDBG Program Framework. No appropriation is required.

Title

Authorizing the subordination of previously approved loans to Operation Fresh Start to a first mortgage holder and authorizing the Mayor and City Clerk to sign agreements to effect such a change.

Body

WHEREAS, the Common Council approved a loan to Operation Fresh Start to help them acquire a property on which to construct a home for sale to a low or moderate income household; and

WHEREAS to CDBG staff and Commission have reviewed the proposal for the subordination and recommend Council adoption as a way to assist Operation Fresh Start to secure the funds to provide an affordable home;

NOW, THEREFORE, BE IT RESOLVED, that the Common Council authorize the Mayor and City Clerk to sign agreements to implement the subordination.