



## Legislation Text

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**File #:** 21874, **Version:** 1

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### **Fiscal Note**

Sufficient Federal HOME funds 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 2011 Adopted Operating Budget.

### **Title**

Authorizing the provision of \$216,000 in Federal HOME funds to assist Housing Initiatives, Inc. to acquire and rehabilitate rental housing in 2011.

### **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.

Low market prices for rental property are providing Housing Initiatives with a good opportunity to develop additional, affordable units of rental housing for their clients. They plan to develop at least four additional units of housing in 2011.

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 2011 Community Action Plan; and

WHEREAS, the successful completion of this project will provide additional permanent, affordable rental housing for low-income homeless people who are disabled through chronic mental illness;

NOW, THEREFORE, BE IT RESOLVED that the Common Council approve the request of Housing Initiatives, Inc. but only provide up to \$216,000 in HOME funds to help them acquire and/or rehabilitate up to four units of affordable rental housing and authorize the Mayor and the City Clerk to enter into an agreement with Housing Initiatives, Inc. to be expended by December 31, 2011.

BE IT FURTHER RESOLVED that the assistance be offered as a long-term deferred loan under the terms adopted in the 2011-2012 Community Development Program Goals and Priorities. Funds used for capital costs will be secured with a promissary note and a mortgage on the property.