



Legislation Text

File #: 25455, **Version:** 1

Fiscal Note

There is no direct budgetary impact and no appropriation is required.. The City loans will be subordinated to a new first mortgage to help provide funding for additional development.

Title

Authorizing the subordination of previously approved loans to Common Wealth Development and authorizing the Mayor and City Clerk to sign agreements to subordinate the loans.

Body

Common Wealth Development is preparing to close on their construction loan/permanent financing which will need to be the 1st mortgage loans at 1526 Jenifer St., 434 S. Thornton Ave., and 433 Cantwell Ct. Common Wealth Development proposes to take out a first mortgage amount of \$778,824 on a new blanket first mortgage to cover all three properties. The funds will be used for rehabilitation and permanent financing.

WHEREAS, the Common Council approved loans to Common Wealth Development for the acquisition and rehabilitation of affordable rental housing.

WHEREAS, the CDD staff has reviewed the request by Common Wealth Development for the City to subordinate its loans to a new first mortgage loan that will provide working capital for Common Wealth Development's rental development at Jenifer, Cantwell and Thornton.

NOW, THEREFORE BE IT RESOLVED, that the Common Council authorize the subordination for the previously approved City loans totaling \$534,693 to Common Wealth Development in the amounts below to a new blanket first mortgage on all three properties of \$778,824 and authorize the Mayor and City Clerk to sign agreements to effect such subordination.

1526 Jenifer St.: \$193,800 funded in 2011

433 Cantwell Ct.: \$193,800 funded in 2011

434 S. Thornton Ave.: \$147,093 funded in 2011