



Legislation Text

File #: 1102-17, **Version:** A

Subject: (Direct Referral) Request by Lutheran Social Services for a \$700,000 CDBG Multifamily Loan for 1701 Packard Avenue ("Gold Medal Lofts") (Res. 0395-17)

Recommendation of the Loan Board of Review on 11-16-2017: That the loan to Lutheran Social Services \$720,000 for acquisition costs of 1701 Packard Avenue at 1% interest with a 20 year term be approved. Repayment terms to be contingent on surplus cash flow and minimum \$7,200 interest-only annual payment at 1% interest. Mortgage and promissory note to be signed at closing and after demonstrating full project financing and tax credits and environmental review.

Further, recommend that the Mayor and City Clerk be directed to enter into a contract with Lutheran Social Services consistent with its application and all applicable federal regulations.

Fiscal Note: The CDBG Multifamily Loan account currently has a balance of \$1.3 million to loan to eligible projects in 2018. \$720,000 would be loaned from the CDBG Multifamily Loan account at 1% interest with a 20 year term. Repayment terms to be contingent on surplus cash flow and minimum \$7,200 interest-only annual payment at 1% interest. Payments would be contingent on demonstrated cash flow and all accrued principle and interest due after 20 years. The funds would be secured with a mortgage and note.