



City of Racine

City Hall
730 Washington Ave.
Racine, WI 53403
www.cityofracine.org

Legislation Text

File #: Res.0395-17, **Version:** A

Alderman Land

1701 Packard Avenue ("Gold Medal Lofts")

Resolved, that the loan to Lutheran Social Services \$720,000.00 for acquisition costs of 1701 Packard Avenue at 1% interest with a 20 year term is approved. Repayment terms to be contingent on surplus cash flow and minimum \$7,200.00 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 resolved, that the Mayor and City Clerk are 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. \$720,000.00 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 \$7,200.00 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.