



Legislation Text

File #: O-576-19, **Version:** 1

Partial Release and Mortgage Waiver For Garden View Acres
Department of Neighborhoods
Amy Sackman Odum (3647)
(Revised)

Authorizing the mayor to execute and deliver needed instruments to amend existing HOME loan to allow for the partial release of the HOME loan mortgage as each single family housing unit is sold with respect to Garden View Acres housing development; allowing the released amount to be converted into a homebuyer grant; waiving accrued interest on the HOME Loan; and making certain findings with respect thereto; and declaring an emergency.

SUMMARY & BACKGROUND:

Garden View Acres Housing Development consists of 90 single-family housing units sponsored by Wallick Communities. The city lent \$300,000 of HOME Investment Partnerships funds. Wallick Communities has maintained ownership over the initial 15-year compliance period and continues to maintain ownership. Currently, all 90 units are occupied.

In order to facilitate the development of Garden View Acres Housing Development in the early 2000s, the city lent HOME Investment Partnerships Program loan funds to assist with the project. In exchange for borrowing HOME loan funds, a certain number of units must be affordable for certain periods of time.

In addition to the city's financial assistance, the project was awarded Low-Income Housing Tax Credits. The Low-Income Housing Tax Credit program (LIHTC) is a public policy tool used to provide funding for the development of affordable housing. The federal government allows developers of particular affordable-housing projects to sell tax credits to investors to provide the capital necessary to build the project. In exchange for the LIHTC a certain number of units are required to be affordable for a certain period of time as well.

NOW, THEREFORE, Be it ordained by the Council of the City of Toledo:

SECTION 1. That the mayor is authorized to execute and deliver needed instruments, including a Loan Modification Agreement that provides for the partial waiver of the HOME loan note with full waiver of interest and partial releases of the associated mortgage as housing units are sold totaling approximately \$300,000 or \$3,333.33 per unit to be paid by Garden View Acres LP at the closing of each unit, credited to the homebuyer, until the HOME loan note is satisfied in full and associated mortgage is released in full;

SECTION 2. That as part of the Agreement, the city is requiring that three (3) units remain affordable to tenants earning less than or equal to 60% of the Area Median Income (AMI). Rent restrictions will remain on the three units until December 31, 2023. The city's restrictions are in addition to those units stipulated by OHFA.

SECTION 3. That it is found and determined that all formal actions of Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of Council and that all deliberations of Council and any of its committees that result in such formal action were in meetings open to the public in compliance with all legal requirements, including Section 121.22 Ohio Revised Code.

SECTION 4. That this Ordinance is declared to be an emergency measure and shall take effect and be in force immediately from and after passage. The reason for the emergency lies in the fact that the same is necessary for the immediate preservation of the public peace, health, safety and property, and for the further reason that this Ordinance must be immediately effective to facilitate the execution and delivery of the Agreement for continued revitalization and housing redevelopment.

Vote on emergency clause: yeas 11 nays 0

Passed: December 10, 2019, 2019, as an emergency measure: yeas 11, nays 0.

Attest:

Gerald E. Dendinger
Clerk of Council

Matt Cherry
President of Council

Approved:

December 11, 2019
Wade Kapszukiewicz
Mayor