



Legislation Text

File #: TMP-3274, **Version:** 1

North River Homes Portfolio
Department of Neighborhood and Business Development
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(Revised)

Authorizing the Mayor to execute and deliver needed instruments to release the mortgage and forgive the loan in whole on the Low-Income Housing Tax Credit Project for 46 scattered site, single family rental housing units called NorthRiver Homes; and declaring an emergency.

SUMMARY AND BACKGROUND

The Low-Income Housing Tax Credits program (LIHTC) is a public tool used to provide funding for the development of affordable housing. The federal government allows developers of particular affordable-housing project to sell tax credits to investors to provide the capital necessary to build the project. Locally, community development corporations have used LIHTC as a financing tool to build many units of affordable housing and promote homeownership in Toledo.

North River originated as 49 single-family housing units under the auspices of NorthRiver Development Corporation, identified as NorthRiver Homes I Limited Partnership. An investment of \$300,000 of HOME Investment Partnerships funds was made to this project. This project has not achieved the success intended under the LIHTC. Currently, there are 46 units remaining as 3 units have either been demolished or in a state beyond repair. This request is to deliver a Release of Mortgage through forgiveness of the note and move the portfolio into the hands of a stable entity.

The City of Toledo, along with the Lucas County Land Bank, Local Initiatives Support Corporation (LISC), and Lucas Housing Support Corporation, an affiliate of Lucas Metropolitan Housing Authority, have been instrumental in working toward securing the portfolio toward a local partner that will work with tenants to move them toward homeownership, along with homebuyer counseling, financial literacy, home maintenance and education opportunities. NOW THEREFORE,

Be it ordained by the Council of the City of Toledo:

SECTION 1: That the mayor is authorized to execute and deliver a release of the NorthRiver Homes I mortgage and forgiveness of the loan in the amount of \$300,000.

SECTION 2: That this ordinance is declared to be an emergency measure and shall be in force and effect from and after its passage. The reason for the emergency lies in the fact that same is necessary for the immediate preservation of safety and well being of current tenants.

Vote on emergency: yeas _____, nays _____.

