

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

10-0115R

RESOLUTION APPROVING THE TRANSFER TO 218-228 (DULUTH 5 PLEX), LLC, OF THE INTEREST OF WOMEN'S TRANSITIONAL HOUSING COALITION, INC., WITH RESPECT TO TWO (2) HOME PROGRAM AGREEMENTS WITH THE CITY RELATED TO THE PROPERTY LOCATED AT 220-228 NORTH 14TH AVENUE EAST.

CITY PROPOSAL:

RESOLVED, that the city council of Duluth hereby approves the transfer to 218-228 (Duluth 5 Plex), LLC, a limited liability company owned and operated by Center City Housing Corporation, of the interest of Women's Transitional Housing Coalition, Inc., with respect to a HOME program grant agreement and corresponding notes and mortgages between city and Women's Transitional Housing Coalition, Inc., dated November 21, 1994 (City Contract No. 17203) in the amount of \$65,000, and a HOME Program loan agreement and corresponding notes and mortgages between city and Women's Transitional Housing Coalition, Inc., dated May 25th, 1994 (City Contract No. 17071) in the amount of \$155,000.

Approved:

Approved for presentation to council:

Department Director

Chief Administrative Officer

Approved as to form:

Approved:

Attorney

Auditor

CD KO:KAH:jle 2/26/2010

STATEMENT OF PURPOSE: This resolution approves the transfer of ownership and interest in a rental property currently owned by Women's Community Development Organization (formerly Women's Transitional Housing Coalition) to a limited liability company owned and operated by Center City Housing Corp.

In 1994, the city entered into agreements for the construction of a five (5) unit building located at 220-228 North 14th Avenue East in Duluth. The city provided a HOME Program grant to WCDO for the project in the amount of \$65,000, and a HOME Program loan (which was converted to a grant by Resolution 94-0986) in the amount of \$155,000, for a total grant of \$220,000. The terms of the agreements were for twenty (20) years and thirty (30) years, respectively. Both agreements allow for the assignment or transfer of WCDO's interest with the approval of the city.

The Board of Directors of Women's Community Development Organization (WCDO) intends to dissolve the non-profit corporation on March 31, 2010. For over two years, city staff has participated in a team made up of representatives of WCDO, the state of Minnesota, private funders, housing providers and housing finance professionals to develop a plan for the portfolio of rental properties owned by WCDO. The goal of this plan is to retain, to the extent possible, the units as affordable to low- and moderate-income tenants. Center City Housing has agreed to become the owner of most of the WCDO properties, and to abide by the requirements and restrictions imposed by grants and loans that were used to develop these properties.