

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

10-0116R

RESOLUTION APPROVING THE TRANSFER TO 1431 (DULUTH TRIPLEX), LLC, OF THE INTEREST OF WOMEN'S TRANSITIONAL HOUSING COALITION, INC., WITH RESPECT TO A GRANT AGREEMENT WITH THE CITY RELATED TO THE PROPERTY LOCATED AT 1431 EAST 1ST STREET.

CITY PROPOSAL:

RESOLVED, that the city council of Duluth hereby approves the transfer to the 1431 (Duluth Triplex), 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 grant agreement and corresponding notes and mortgages between city and Women's Transitional Housing Coalition, Inc., dated August 8, 1995 (City Contract No. 17460) in the amount of \$163,275.

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 1995, the city and WCDO entered into a grant agreement for the rehabilitation of a triplex located at 1431 East 1st Street in Duluth. The city provided funding for the project in the amounts of \$59,000 in 1995 CDBG funds; \$50,000 in 1994 HOME Program funds; and \$54,275 in 1995 HOME Program funds; for a total grant of \$163,275. The term of the grant agreement was for fifteen (15) years from the completion of the rehab project, the expiration date of which is April 16, 2011. Section 16. of the grant agreement allows 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.