



Legislation Text

File #: 980279, Version: 0

Rental Rehabilitation Grant and Loan to Sidney Parker

Sidney Parker is proposing to renovate a three-bedroom house located at 403 S.E. 14th Place for lease as low-and moderate-income housing. The building is currently dilapidated and vacant.

Existing approved City Commission policy allows a maximum grant award of \$9,500 for each unit containing three or more bedrooms, a grant to cover the cost of any insulation and venting, if any, and a grant to cover the closing costs. However, the City Commission does not have an approved policy for granting low-interest loans to investors. Historically, the City Commission has taken action on such requests on a case-by-case basis. Due to the condition of the structure, existing market rents, and the costs of renovating an existing older structure, the project is not feasible without both the grant and low-interest loan. Staff has prepared a cost feasibility analysis (proforma) to support this conclusion. Mr. Parker owns the property free and clear of any mortgage or other encumbrances.

Housing Division Program funds budgeted in accounts 104-790-7968-5540-4120 and 104-790-7968-5540-4324 are available to finance the grant and loan to Mr. Parker.

The City Commission: 1) approve the award of a \$9,500 rental rehabilitation grant, \$310.06 closing cost grant, and a \$900 insulation and venting grant to Sidney Parker; 2) authorize the award of a \$15,230 city loan for a term of 15 years and an interest rate of 3%, payments beginning three months after completion of construction; 3) authorize the Housing Division to use the standard rehabilitation program grant and loan documents to consummate the grant and loan awards, subject to approval by the City Attorney as to form and legality; and, 4) authorize the issuance of a purchase order to the contractor, R-ONE Investments, Inc., in an amount not to exceed \$25,630 (\$23,300 plus a contingency of \$2,330).