



Legislation Text

File #: 170912., **Version:** 1

Subordination of Mortgage - 408 NW 4th Avenue (B)

The CRA's Model Block Program has been addressing the issue of vacant and abandoned properties in the Fifth Avenue Pleasant Street Redevelopment Area. The Fifth Avenue Redevelopment Plan established several objectives. Some of those objectives included increasing home ownership, increasing affordable housing stock, and increasing infill on vacant lots. The creation of the Model Block program was one of the initiatives to help achieve these objectives. To date, the focus of the program has been in Pleasant Street along NW 4th Street and NW 4th Avenue and in the Fifth Avenue neighborhood along NW 8th Street and NW 4th Avenue.

The CRA uses a market-based approach selling to qualified homebuyers on a first-come, first-serve basis, regardless of their income level. "Qualified" means the homebuyer has either been pre-qualified for a home loan in an amount necessary to purchase the Model Block Property or does not need to obtain financing. The Buyer of each Model Block Property are provided a \$25,000 closing incentive for agreeing to occupy the property as the primary, homesteaded residence for a period of 10 years and to maintain the exterior of the structure in substantially the same condition as existed on the Closing date for a period of 10 years.

The Buyer's agreement and incentive are documented at closing by execution and recording of a mortgage, note and façade easement. The documents provide that if the Buyer fails to comply with the requirements, they repay the Incentive to the CRA, as follows: (a) Failure to comply with requirements during the first 5 years, Buyer repays entire Incentive amount, (b) Failure to comply with requirements in years 6 through end of year 10, Buyer repays one-half of the Incentive amount. The documents are subordinate to any institutional purchase money mortgage recorded at closing.

In 2006, the buyer, Thomas Hawkins, Jr., executed a Promissory Note and Subordinate Mortgage for the property located at 408 NW 4th Avenue, Gainesville, FL 32601. Mr. Hawkins has satisfied the terms and conditions of the Promissory Note and Subordinate Mortgage and is requesting that the CRA execute a Satisfaction of Mortgage.

None

CRA Attorney to the CRA Board: Authorize the Chair of the CRA Board to execute the Subordination of Mortgage