



Legislation Text

File #: 18-0025R, **Version:** 1

RESOLUTION AUTHORIZING ONE ROOF COMMUNITY HOUSING TO FORGIVE PARTIAL AMOUNTS OF A REHABILITATION LOAN MADE UNDER THE SINGLE FAMILY HOMEOWNER REHABILITATION PROGRAM FOR 2309 W 2ND ST

CITY PROPOSAL:

RESOLVED, the city council of the city of Duluth hereby authorizes a partial forgiveness by One Roof Community Housing of the repayment of a Community Development Block Grant loan in the amount of \$1,490.78.

STATEMENT OF PURPOSE: This resolution authorizes the forgiveness of a portion of a deferred loan given by One Roof Community Housing to Mary Olson, nee Mary Cichy, to rehabilitate her home located at 2309 W. 2nd Street in Duluth. One Roof Community Housing is requesting authority from the city to accept a partial payment as satisfaction of the loan.

In 2004, One Roof Community Housing (as part of the former Neighborhood Housing Services) provided a deferred loan to Ms. Olson for rehabilitation of her house at 2309 W. 2nd Street. In 2010, with just over \$7,000 remaining to be repaid, a fire destroyed the home. Ms. Olson continued with payments until this past spring when she passed away. Her estate does not have adequate funds to cover the remaining loan amount, so there is no further recourse except to turn the debt over to a collection agency. Staff reviewed this option and determined that the fees would outweigh the potential for collection of the remainder of the loan. The community planning manager has reviewed the request and recommends approval of the loan forgiveness.