



Legislation Text

File #: 18-0608R, **Version:** 1

RESOLUTION AUTHORIZING A SECOND AMENDMENT TO THE 2014 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM UDAC BUILDING REFORMATION GRANT AGREEMENT WITH UDAC, INC.

CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to enter into a second amendment to the 2014 Community Development Block Grant ("CDBG") Program UDAC Building Reformation Grant Agreement (City Contract No. 22231) with Udac, Inc. ("Udac"), substantially in the form of that attached hereto as Document 1, providing for a release of lien agreement in favor of the city on Udac's property located at 500 East 10th Street in Duluth and for a new mortgage lien in favor of the City on property located at 4724 Mike Colalillo Drive in Duluth in conjunction with Udac's transfer of programming to the new location.

STATEMENT OF PURPOSE: The purpose of this resolution is authorize a second amendment to the agreement with Udac for the 2014 Building Reformation Project. When the city utilizes HUD CDBG funds to improve neighborhood facilities, the city must ensure the services continue to be provided in the community for a minimum of ten years, and therefore, a lien in favor of the city is placed on the facility assisted with the funding.

Udac currently provides eligible services to low- and moderate income individuals with disabilities at its facility located at 500 East 10th Street. Udac executed a ten-year lien in favor of the city on the property. Udac has purchased a new facility located at 4724 Mike Colalillo Drive where it will continue to provide eligible services to low- and moderate income individuals with disabilities. This second amendment provides for the city to release the lien on the 500 East 10th Street property and for Udac to execute a new lien in favor of the city on the property located at 4724 Mike Colalillo Drive. The new mortgage lien requires Udac to continue to provide its services through February 27, 2027, therefore meeting the 10-year requirement.