Legislation Text

File #: 19-0699R, **Version:** 1

RESOLUTION DISCHARGING $20,731.18 IN DEBT OWED BY CERTAIN PROPERTIES TO CDBG LOAN FUNDS BY NEIGHBORHOOD HOUSING SERVICES.

CITY PROPOSAL:

RESOLVED that the City of Duluth hereby authorizes the discharge of the following debts which originated as CDBG loans through Neighborhood Housing Services, now serviced by One Roof Community Housing as successor to Neighborhood Housing Services, for a total of $20,731.18 in CDBG loan funds for the following properties:

2315 W. 5th Street. Original Mortgage Date: June 28. 2007. Discharge amount of $19,186.50.

2712 W. 9th Street. Original Mortgage Date: December 17, 1985. Discharge amount of $1,544.68.

STATEMENT OF PURPOSE: The properties at 2315 West 5th Street at 2712 West 9th Street received CDBG loan funds from Neighborhood Housing Services of Duluth (now serviced by One Roof Community Housing), to assist buyers in obtaining the housing units.

2315 W 5th Street was purchased in 2007 by a private owner. The home was foreclosed in 2016, and One Roof Community Housing was not notified of the foreclosure notice.

2712 W 9th St. was purchased in 1985 by a private owner. The property went into tax forfeiture in 2009, and One Roof Community Housing was not notified of the forfeiture.

Neither of the original homeowners occupy the properties, or are involved with the properties. One Roof Community Housing assumed responsibility for properties and loans made by Neighborhood Housing Services as the its successor organization. One Roof has requested to write off these CDBG loans so the housing units can be sold to new owners with the intent of maintaining affordability.

One Roof Community Housing has updated processes and procedures to ensure that a Certificate and Request for Notification informing One Roof of foreclosures or tax forfeitures is signed at all transactions and recorded on properties' titles. The city has worked with One Roof to recover as much of the original debt as possible.