



PLANNING AND DEVELOPMENT

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Memorandum

To: Community Development Committee
From: Caroline Gregerson
Date: 5/8/2019
File No. 19-0710
Re: Habitat Breach of Contract and Action on 2018/ 2019 Funding

Background:

- On March 21st, 2019, Habitat for Humanity received a breach of contract and right to cure notice from the City of La Crosse. (Please see attached). They provided a response immediately.
- All requests in the breach of contract were met on 3/22, except for a certificate of occupancy for 900 Farnam St. In addition, the problem of the early occupancy, without closing remained an issue for 900 Farnam St and 912 Avon St.
- An extension was requested for obtaining a certificate of occupancy on 900 Farnam St on April 3 and it was granted until April 26, 2019. As of April 26, 2019, the deadline had passed and still no occupancy agreement on 900 Farnam St nor a request for further extension. In that process, Habitat also complied with orders from Inspections that the occupants of 900 Farnam be removed. Additionally, the certificate of occupancy was issued as of May 2nd for 900 Farnam St and 912 Avon St.
- Staff have inspected 912 Avon St and all conditions were met in our agreement.
- May 31st is the planned closing date for 912 Avon St and a date for closing on 900 Farnam is still being determined. All issues stated in the breach of contract have now been remedied. Habitat has outlined steps to be taken to ensure these issues do not happen in the future.

Concerns: While most issues have been addressed, the disregard for the agreement and municipal code created a lot of work for City staff. If Habitat had competed in our regular round of applications this years, we would have recommended significantly deducting points from their score.

Recommendations:

- Release half of the \$49,665.69 for 912 Avon St. The remaining half will be paid out once closing for 900 Farnam and 912 Avon St have occurred.
- As of this time, Habitat for Humanity has \$120,000 allocated to them for 2019 funding. No agreements for those funds have been signed.

Options:

- A. Fully fund for 2019 at \$120,000.
- B. Fund one project at \$60,000 and evaluate compliance on one project before determination of future project.
- C. Deduct 2019 Funding by \$54,234 leaving Habitat with \$70,266