CITY OF LA CROSSE

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LEGISLATION STAFF REPORT FOR COUNCIL

File ID: 26-0091

Caption: Housing Rehabilitation Program Subordination Request

Staff/Department Responsible for Legislation

Linzi Washtock; Planning and Development

Requestor of Legislation

Linzi Washtock

Location, if applicable

N/A

Summary/Purpose

Loan #301436 applicant is requesting the Housing Rehabilitation Program subordinate the $14,310 second mortgage with the City of La Crosse. The program guidelines state that the subordination will be considered, but only with committee approval. The subordination requirements from the program guidelines have been attached.

Background

Housing Rehab Loan # 301436 was originated in August of 2024, with an original balance of $14,310.00. Applicant is requesting a subordination of our loan for a mortgage that will be used for Debt Consolidation ($25,160) and Home improvements ($6,840). The Housing Rehab guidelines state the proposed loan must be used for property and home improvements, or for refinancing an existing home mortgage. The loan is primarily for debt consolidation, but because this loan contains home improvement costs, we have brought it to commission for recommendation.

Fiscal Impact

At risk of up to $21,465. (This is the max loan amount with interest) This situation would only happen if the homeowner falls out of compliance and is unable to pay all three mortgages.

Staff Recommendation

Deny; This request does not follow Housing Rehabilitation Guidelines as they are written.