



PLANNING AND DEVELOPMENT

400 LA CROSSE STREET | LA CROSSE, WI 54601 | P: (608) 789-7512 | F: (608) 789-7318

Memorandum

To: Community Development Committee

From: Dawn Reinhart

Date: July 13, 2020

Re: Action on offer to purchase 1458 Redfield St

List price: \$209,000; the City to provide a deferred 2nd mortgage of \$64,000 which will accrue interest of 3% per annum and will cease to accrue interest at half of the principal value. The City will also provide a forgivable 3rd mortgage of \$25,000, forgiven each year over a 15-year period.

Staff received a total of 14 applications, 8 of the applicants are eligible. Buyer's are numbered in the order of receipt of application. Buyer #10's offer is contingent upon the sale of their home (they have an accepted offer to purchase).

Order of Receipt	Offer to Purchase	1st Mortgage	Down Payment	Monthly Payment	Front End Ratio 33%	Back End Ratio 38%	Max DTI 43%	2nd Mtg	3rd Mtg
1	\$ 209,000	\$ 75,000	\$ 6,000	\$ 347.34	\$ 516.57	\$ 186.05	43%	\$ 103,000.00	\$ 25,000.00
2	\$ 209,000	\$ 113,800	\$ 6,200	\$ 535.15	\$ 696.22	\$ 634.31	35%	\$ 64,000.00	\$ 25,000.00
3	\$ 209,000	\$ 120,000		\$ 555.74	\$ 848.25	\$ 653.95	35%	\$ 64,000.00	\$ 25,000.00
4	\$ 209,000	\$ 140,000		\$ 648.36	\$ 861.46	\$ 687.17	37%	\$ 44,000.00	\$ 25,000.00
7	\$ 209,000	\$ 120,000		\$ 555.74	\$ 623.31	\$ 579.93	37%	\$ 64,000.00	\$ 25,000.00
10	\$ 209,000	\$ 81,000	\$ 49,000	\$ 375.12	\$ 512.36	\$ 675.18	34%	\$ 54,000.00	\$ 25,000.00
12	\$ 209,000	\$ 100,000		\$ 463.12	\$ 645.80	\$ 320.03	41%	\$ 84,000.00	\$ 25,000.00
13	\$ 209,000	\$ 100,000		\$ 435.21	\$ 608.20	\$ 365.54	40%	\$ 84,000.00	\$ 25,000.00

	: Buyer does not meet the City's Back End Ratio for debt to income and would require an exception to the program.
	: Buyer is not taking the full 2nd Mortgage of \$64,000

NOTE: The accepted offer to purchase shall be contingent upon the applicant meeting all of the program's eligibility requirements and must sign the City's Real Estate Purchase Agreement at or prior to closing.

JASON GILMAN, AICP, PLANNING & DEVELOPMENT DIRECTOR
 ANDREA TRANE, ECONOMIC DEVELOPMENT PLANNER
 TIM ACKLIN, SENIOR PLANNER
 LEWIS KUHLMAN, ENVIRONMENTAL SUSTAINABILITY PLANNER
 JACK ZABROWSKI, ASSOCIATE PLANNER

CAROLINE GREGERSON, COMMUNITY DEVELOPMENT ADMINISTRATOR
 KEVIN CLEMENTS, HOUSING SPECIALIST
 KEVIN CONROY, HOUSING SPECIALIST
 DAWN REINHART, NEIGHBORHOOD HOUSING DEVELOPMENT ASSOCIATE
 TARA FITZGERALD, PROGRAM COORDINATOR