

Memorandum

To: Community and Economic Development Committee
Requestor: Housing Rehab Client #30503
Staff: Mara Keyes
Location, if applicable: Redacted to protect client confidentiality

Re: 24-0145 Rehab Loan Forgiveness Request - Client #30503

Summary/Purpose: Request to forgive \$32,560.97 to release lien on property and allow sale.

Background:

In 2012, this client took out a \$25,000 rehab loan with the City of La Crosse to complete repairs on the property. In 2015, this property was severely damaged by a fire and the home was demolished. Staff is confirming insurance payout amount, though City did not receive a settlement. The housing rehab program was notified of the demolition permit, no supporting documentation of action taken.

The lot sits vacant since 2015 and the homeowner relocated to an apartment in town. The property is vacant. There is now an interested buyer, and the City lien on the property is preventing the sale. The buyer is planning to develop housing on this land.

Fiscal Impact:

<u>Loan Amount:</u>	\$24,432.26	<u>Assessed Value</u>	\$12,000
<u>Interest:</u>	\$8,098.71	<u>Purchase Price</u>	\$17,000
<u>Total:</u>	\$32,560.97		

Staff Recommendation:

The loan client is requesting forgiveness of this loan for the total amount of \$32,560.97, this includes principal and interest. The assessed value of the property is \$12,000 and the offer to purchase is \$17,000. After closing costs, the proceeds would be approximately \$14,500.