



**Request for City Council Committee Action from the
Department of Community Planning and Economic Development - CPED**

Date: October 23, 2012

To: Council Member Lisa Goodman, Chair, Community Development Committee

Subject: Authorization to assign the City's interest in a loan to Greater Metropolitan Housing Corporation

Recommendation: Approve the transfer of a \$4,000 NRP second mortgage loan on 3939 Fremont Avenue North from the City of Minneapolis to Greater Metropolitan Housing Corporation. Authorize the execution of any documents associated with this request.

Previous Directives: No previous directives.

Prepared by: Mark Anderson, Senior Contract Management Specialist	
Approved by: Thomas Streitz, Director of Housing Policy and Development	_____
Charles T. Lutz, Deputy CPED Director	_____
David Rubedor, Neighborhood Community Relations	_____
Presenter in Committee: Mark Anderson	

Financial Impact: None

Neighborhood Notification: The Webber Camden Neighborhood Association is aware of this request and has acknowledged their support for the assignment of this loan to GMHC.

City Goals: In five years, all Minneapolis residents will have a better quality of life and access to housing and services; residents will live in a healthy environment and benefit from healthy lifestyles; the city's infrastructure will be well-maintained and people will feel safe in the city.

Supporting Information

On October 29, 2009 a homebuyer obtained a \$4,000 NRP second mortgage loan to help pay closing costs associated with the purchase of 3939 Fremont Avenue North which is in the Webber Camden neighborhood. This newly constructed house was sold by Greater Metropolitan Housing Corporation (GMHC).

Subsequent to the purchase, the homeowner lost one of the two incomes in the household due to a job loss and as a result the homeowner has had extreme difficulty making the house

payments. The first mortgage lender has now scheduled a Sheriff's sale as part of a foreclosure action and that sale is set for November 9th.

GMHC has requested that the City of Minneapolis assign its interest in the NRP loan to them in order to allow them to bid on the property at the Sheriff's sale. This will enable GMHC to gain control of the property so that they can update its condition and resell it to an owner occupant. GMHC has already sought and obtained approval from Webber Camden Neighborhood Association for this request.

Since GMHC has been a strong partner in building and renovating properties for owner occupants, staff supports this request and asks for the City Council's approval.