Request for City Council Committee Action
From the Department of Community Planning & Economic Development

Date: September 27, 2005

To: Council Member Lisa Goodman, Community Development Cmte

Prepared by: Mark Anderson, Phone 612-673-5289

Presenter in Committee: Mark Anderson, Senior Contract Management Specialist

Approved by: Elizabeth Ryan, Director, Housing
Jack Kryst, Director, Development Finance

Subject: Approval to accept Trustee responsibilities for three remaining loans from Stage I of the Home Ownership and Renovation Program

RECOMMENDATION: That the City Council approve the acceptance of Trustee responsibilities for the three loans remaining in Stage I of the Home Ownership and Renovation Program and authorize the Finance Officer to sign any necessary documents to accomplish this transfer

Previous Directives: There have been no previous directives regarding this issue

Financial Impact (Check those that apply)
_X_ No financial impact - or - Action is within current department budget.
(If checked, go directly to next box)

Community Impact (Summarize below)

Ward: Not applicable

Neighborhood Notification: Not applicable

City Goals: This will have no impact upon the City goals

Comprehensive Plan: Not applicable

Zoning Code: Not applicable

Living Wage/Job Linkage: Not applicable

Background/Supporting Information

When the City created the Home Ownership and Renovation Program in 1989, the Trustee services were given to First Trust National Association.

The bonds that financed the mortgages for this program have now all been retired and the Trustee only has two remaining duties to perform:

1. Collect payments for the three remaining loans from the Servicer each month and forward them to the City, and

2. Satisfy any loans that may be outstanding in the program on July 1, 2019.

For these services, First Trust has indicated a charge of $500 per year.

Since City staff already performs these services on other programs, staff is recommending that the loans be assigned over to the City along with the remaining duties of the Trustee. This will save the City the extra Trustee service charge and will simplify the administration of the program.