

9/8/2016

MEMO

TO: Marcia Moermond, Legislative Hearing Officer, Office of the City Council

From: Becky Errigo, Housing Development Manager, NeighborWorks Home Partners
Greg Finzell, Executive Director, Rondo Community Land Trust

RE: 1698 Lafond, Richard Ayd

Ms. Moermond,

NeighborWorks Home Partners (NWHP) and Rondo Community Land Trust (Rondo CLT) are making progress on project feasibility of the property at 1698 Lafond Ave; to be acquired, renovated and sold to an owner occupant by NWHP.

We have:

1. Worked out a preliminary development budget, performed due diligence on determining outstanding debt on the property (approximately \$35,000, which includes assessments, a confession of judgement, a very high water bill, and a due on sale loan), and reviewed an after rehab comparative market analysis. We have determined that the budget has a shortfall of funds.
2. Met with City of St. Paul – Planning and Economic Development staff regarding funds that could help fill the development gap. PED has identified and is willing to work in securing CDBG funds. For funds to be allocated to this project, they will need to be approved by PED's Credit Committee and the HRA. We are working with PED staff on timing of approvals. Most likely the project could be taken to the HRA on October 26th for approval.
3. Contacted the Twin Cities Community Land Bank (TCCLB) to access funds, which were awarded through MHFA's Impact Fund. These funds could fill the remainder of the gap in the budget. TCCLB is determining what funds they have remaining as well as if these funds could be applied to this project. TCCLB will provide an update to us on Monday 9/12/2016.
4. Contacted Restore 24, a restoration service, which specializes in clean up from water, fire, and storm damage as well as biological contamination. On Monday 9/12/16 @ 1pm they will perform a visual inspection of the mold and will determine if additional mold testing is required.
5. Met with Richard Ayd, the homeowner, and Lauren Lightner, from House Calls, on 9/8/2016. Due to the need for gap funds for renovation and to cover the outstanding debt on the property, it is evident NWHP would not be able to pay an acquisition price other than \$1. The meeting with Mr. Ayd was to inform him about and to determine if he was interested in continuing down the path of transferring ownership to NWHP. We made it clear that the transfer of ownership would be contingent upon us securing adequate gap funding for the project. At the end of the meeting, Mr. Ayd understood he would not realize any sale proceeds, if NWHP took the project on. Mr. Ayd was interested in continuing to work toward a donation of his property to NWHP.