



Project title: 2012 and 2013 Community Development Block Grant (CDBG) Loan Agreement Amendments – Cocoon House U-Turn Facility

City Council Agenda Item Cover Sheet

Council Bill # **Consideration:** Amend CDBG Loan Agreements
..... **Project:** CDBG Loan Agreement Amendment–Cocoon House U-Turn Facility

Agenda dates requested: 9/18/19 and 9/25/19
Partner/Supplier : Cocoon House
Location:

Briefing 9/18/19
Proposed action 9/25/19
Consent
Action
Preceding action: Resolution 6368 dated 4/6/11 and 6491 dated 4/15/12
Fund:

Ordinance
Public hearing
Yes x No

Fiscal summary statement: CDBG funds were dispersed in 2012 and 2013. No additional funds are being requested. The original grant amounts are \$63, 268.92 and \$60,000.

Budget amendment:
Yes x No

Project summary statement: Cocoon House received two CDBG awards for acquisition and rehabilitation of the U-Turn Facility located at 1421 Broadway Avenue. The grants were awarded as deferred payment loans for a period of 25 years at three percent simple interest and a lien was placed on the property by the City to guarantee the loans. The loans will be forgiven after the 25-year period provided the facility continued to provide the services to youth as prescribed by the grant agreement. Earlier this year, Cocoon House moved the U-Turn operations to its new facility on Colby Avenue and no longer needed the Broadway location. The agency is continuing to provide the facility and services to the community in the new location and has sold the Broadway location. The City’s funds were reserved in escrow following the sale pending the loan amendment. The request is to transfer the liens to the property on Colby Avenue for the remaining loan period that will expire on April 9, 2037 and January 28, 2038. The transfer will result in a lower lien position behind other public funders on the property Title.

PowerPoint presentation:
Yes x No

Attachments:
Omnibus provided under separate cover

Department(s) involved:
Community Development
Legal


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Initialed by:

Department head

Administration

Council President

Recommendation (exact action requested of Council): Authorize the Mayor to execute the 2012 and 2013 Community Development Block Grant Loan Agreement Amendments in a form approved by the City Attorney.