

RESOLUTION NO. 13-19286

A RESOLUTION GRANTING THE CITY ADMINISTRATOR THE AUTHORITY TO EXECUTE AND SIGN LOAN SUBORDINATION DOCUMENTS TO FACILITATE FINANCING OR REFINANCING RESIDENCES THAT HAVE RECEIVED LOANS THROUGH THE CITY OF BILLINGS HOME REPAIR PROGRAMS.

WHEREAS the City of Billings manages home repair loan programs to assist low-income households in making needed improvements to homeowner-occupied residences, and;

WHEREAS the funding for home repair programs is annually authorized by the U.S. Department of Housing and Urban Development (HUD) through an entitlement formula process to support the City's efforts to provide decent housing and suitable living environments for low-income residents and to expand economic opportunity for those residents by providing affordable funding mechanisms to sustain the City's affordable housing stock, and;

WHEREAS supplemental funding for the City of Billings home repair loan programs has been allocated by the City Council, and;

WHEREAS the City Council may continue to appropriate funding allocations to home repair loan programs each April to support efforts identified in the City's Consolidated Plan required to accept and distribute HUD and funding from alternative sources, and;

WHEREAS home repair program loan recipients routinely request loan subordination in order to refinance primary mortgages on which the City of Billings holds secondary or tertiary loan position; and;

WHEREAS the Community Development Board and City Council have approved a standard Subordination Policy to protect the City's financial interest in the property.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BILLINGS, MONTANA, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Signing and Execution Authority: The City of Billings City Council hereby authorizes the City Administrator to sign and execute subordination agreements under the City's home repair loan programs. The authority is limited to occasions when the City's loan position will not be diminished by executing the agreement. Any other subordination agreements will be submitted for City Council consideration and approval.

Section 2. Subordination Policy: The Community Development Board is required to annually review the Subordination Policy and recommend changes that help to preserve the City's financial interest in residential properties that have been rehabilitated, in part, using the City's home repair loan program.

Section 3. Effective Date: The Resolution shall become effective on adoption.

Passed and approved this 24th day of June, 2013.

THE CITY OF BILLINGS:



BY: Thomas W. Hanel
Thomas W. Hanel, Mayor

ATTEST:

Denise B. Bohlman for
Cari Martin, City Clerk