Agenda Item No.: **41.**

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: APRIL 16, 2008

DEPARTMENT: NEIGHBORHOOD SERVICES
DIRECTOR: STEPHEN K. HARSIN

☒ **Consent** ☐ **Discussion**

SUBJECT:
Approval to pursue foreclosure process and utilize $10,000 Redevelopment 18% Set-Aside Funds to pay fees, taxes and liens associated with the property foreclosure located at 7054 Burcot Avenue, Unit L-45 (APN 140-23-118-015) All Wards

Fiscal Impact

☐ **No Impact** ☐ **Augmentation Required**

☐ **Budget Funds Available**

Amount:
Funding Source:
Dept./Division:

PURPOSE/BACKGROUND:
Diversity Leadership Institute, a Nevada non-profit corporation, and the City of Las Vegas, entered into the Housing Opportunities for Persons with Aids Program Agreement dated July 1, 2004 (the "HOPWA Agreement"). Under the HOPWA Agreement, DLI was to provide affordable housing to HOPWA program eligible tenants for a minimum period of 10 years, and was prohibited from selling the Burcot Property during that same period. On or about July 27, 2007, DLI sold the Burcot Property in breach of the requirements the HOPWA Agreement, the Deed of Trust and applicable federal regulations (24 CFR 574). Pursuant to the Deed of Trust, DLI is now obligated to repay to the City the HOPWA funds ($114,750) which DLI used to purchase the Burcot Property. In the event that DLI fails to repay the HOPWA funds, the City seeks authority to proceed with the foreclosure on the Burcot Property and utilize RDA 18% Set-Aside funds to pay the related fees, taxes and HOA lien.

RECOMMENDATION:
Approve foreclosure on Burcot Property and authorize the City Manager to execute any and all documents necessary to complete the foreclosure including, without limitation, the Substitution of Trustee, Declaration of Default and Notice of Default and Election to Sell Under Deed of Trust attached hereto.

BACKUP DOCUMENTATION:
1. Substitution of Trustee - Attachment A
2. Declaration of Default and Demand Sale- Attachment B
3. Notice of Default and Election to Sell under Deed of Trust - Attachment C
4. Letters between HUD and City of Las Vegas

Motion made by GARY REESE to Approve Items 14-16, 18-23, 25-29, 31-36 and 38-57

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Passed For: 7; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0
RICKI Y. BARLOW, LOIS TARKANIAN, LARRY BROWN, OSCAR B. GOODMAN, GARY REESE, STEVE WOLFSON, STEVEN D. ROSS; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-None)