

THE CITY OF PROVIDENCE
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RESOLUTION OF THE CITY COUNCIL

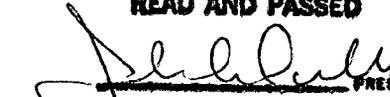
No. 746

Effective: ~~Approved~~ November 14, 1983

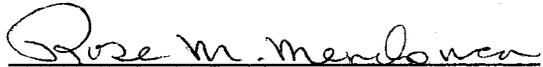
RESOLVED, That the Committee on Urban Redevelopment, Renewal and Planning is hereby requested to meet with representatives of the Mayor's Office of Community Development to study the feasibility of using monies that are repaid to the City from loans under the UDAG Grant to set up a mortgage program to residents of our City at low interest rates, to build or purchase a dwelling in which they will reside, and

BE IT FURTHER RESOLVED, That if a person requests to purchase and reside in a vacant building, a further study into the feasibility of allowing a low interest loan to the individual be granted, as the mortgages and loans being granted, will benefit the residents and neighborhoods of the City of Providence and/or a program that the Committee on Urban Redevelopment Renewal and Planning and the Mayor's Office of Community Development are of the opinion will benefit the neighborhoods.

IN CITY COUNCIL
NOV 3 1983
READ AND PASSED


Rose M. Mendonca CLERK

Effective without the Mayor's
signature November 14, 1983.


Rose M. Mendonca

Council President Paulino

READ AND PASSED

BY _____



Council Chamber, City of Providence, Rhode Island

COUNCIL PRESIDENT

JOSEPH R. PAOLINO, JR.

RESIDENCE
221 BROADWAY
TELEPHONE
(401) 751-8844

October 3, 1983

Mr. Stephen O'Rourke
Deputy Director
Mayor's Office of Community Development
55 Eddy Street
Providence, Rhode Island 02903

Dear Stephen:

I am writing in regard to the monies that are invested in the UDAG Grant for the Fleet-Gilbane partnership.

It is my understanding that \$16,660,000.00 will be received by the City of Providence by the Fleet-Gilbane partnership over a thirty year period. On a yearly basis, the city will receive \$230,000.00 which can be used for development purposes within our city. I strongly recommend that this money be used within our neighborhoods.

Both Administrative and Legislative branches of city government have shown leadership in working cooperatively with private industry to expand our tax base. Projects such as Fleet-Gilbane are very important to Providence to expand the tax base by obtaining UDAG Grants. This is a credit to all parties involved, but also, far too long neighborhoods have suffered when the attention has been put into place in other areas.

I would like your office to look into the feasibility of studying a neighborhood mortgage program under the following concept. The city would use the \$230,000 and loan this money to individuals to build or re-habilitate (OWNER OCCUPIED) houses in the various neighborhoods in the city.

Phase I of my proposal would work on this hypothetical concept. If an individual wished to build a home in the City of Providence, on a vacant lot in Providence, the City of Providence would be able to loan that individual up to \$20,000.00 in a mortgage loan with an interest rate of 6%. This would give people a strong incentive to build thier home in the City of Providence with an interest rate they can afford, and most importantly, it would take away the blight of the vacant lots in our city and we would be able to expand our tax base.

Phase II would be if an individual wanted to buy and live in a vacant dwelling in the city which has been a vacant building for some time in the city. The city could loan that individual up to \$20,000.00 in a mortgage loan at an interest rate of 8%.

By working on a general concept such as this the city is accomplishing many goals:

1. a great incentive for the people to build homes and to restore vacant buildings that will now be owner occupied.
2. by accomplishing these plans, many blights that exist within the neighborhoods will now be rehabilitated.
3. for the many people who have been fleeing to the suburbs, this plan would make it financially more attractive to remain in our city.
4. our tax base in the city would greatly expand. Many of the properties presently abandoned do not pay taxes or have been delinquent in thier taxes. To provide an incentive such as this, would spur residential development, and new taxes will be generated. Also once the city loans this mortgage money, it will be paid back to the city, thus re-juvenating itself.
5. the city of Providence has been working towards making this city's business climate attractive. I feel that it is necessary to continue on this policy but to also work aggressively to make a strong neighborhood-city partnership.

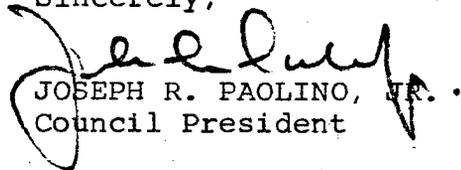
I am requesting that the Mayor's Office of Community Development to study this proposal to see if a concept such as this would be feasible. If my proposal would have to be altered in any way, I would like your suggestions in order to bring these UDAG monies into the neighborhoods. I will also be calling on the Committee on Urban Redevelopment, Renewal and Planning to study this matter of UDAG monies and how it should be spent.

I will also suggest that they call upon the Mayor's Office of Community Development to see if a project such as this could be utilized.

The neighborhoods of this city make us strong, and together with this neighborhood-city partnership, we will be able to accomplish our goals of promoting the general concept of growth and co-operation.

Correspondence concerning this study would be appreciated as soon as possible, and if any further questions are needed, please feel free to contact me.

Sincerely,



JOSEPH R. PAOLINO, JR.
Council President

JRP:rm