

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF MADISON, WISCONSIN

Resolution No. 4017
Authorizing the submission to WHEDA of an application for Low-Income Housing Tax Credits and the execution of other documentation as necessary for Truax Park Development Phase 2

Presented January 24, 2013
Referred _____
Reported Back _____
Adopted January 24, 2013
Placed on File _____
Moved By Daniel Guerra
Seconded By Timothy Bruer
Yeas 6 Nays 0 Absent 1
Rules Suspended _____

PREAMBLE

WHEREAS, on May 8, 2008, the Community Development Authority of the City of Madison (the "CDA") adopted Resolution No. 2803, the Truax Park Apartments Master Plan; and

WHEREAS, the CDA is undertaking the second phase of the Truax Park Apartment redevelopment outlined in the Truax Park Apartments Master Plan.

WHEREAS, the CDA issued a Request for Qualifications and Proposals for a joint venture development partner that was advertised on November 18, 2011 and November 25, 2011 (the "RFP"). Dimension Development, LLC, Stone House Development, Inc., Knothe & Bruce Architects, and McGann Construction, Inc. (the "Development Team") responded to the RFP on December 5, 2011. The interview panel agreed on the selection of the Development Team subject to refinements in the Development Team's proposal.

WHEREAS, on January 26, 2012 the CDA approved Resolution 3066 authorizing the CDA to

- (1) Continue the redevelopment of Truax Park Apartments with the construction of 45 low rent public housing apartments using Section 42 Low Income Housing Tax Credits ("Tax Credits"),
- (2) Form a limited liability company under the name of Truax Park Development, Phase 2, LLC (the "LLC") and to proceed with land control, construction, financing, renting, and/or managing of Truax Park Development Phase 2,
- (3) Become a managing member of the LLC,
- (4) Enter into a lease option agreement with the LLC granting the LLC the option to lease the ground necessary for the development on such terms and conditions as the Chair and the Secretary of the CDA shall approve and
- (5) Subject to required approvals from HUD, use low rent public housing subsidy to subsidize the 45 apartments being contemplated.

WHEREAS, an application for Tax Credits was submitted in February of 2012 and the proposed development did not receive an award of Tax Credits.

WHEREAS, CDA staff recommend that the CDA apply for Tax Credits again with several modifications to the development proposal. The second phase of Truax Park redevelopment should be the construction of 48 apartments in the northeast corner of the Truax Park site with fifteen (15) one bedroom apartments, zero (0) two bedroom apartments, Sixteen (16) three bedroom apartments, four (4) four bedroom apartments and four (4) five bedroom apartments. CDA staff recommend that (subject to approval by HUD) 100% of the apartments receive low rent public housing subsidy.

NOW THEREFORE BE IT RESOLVED that the CDA authorizes, subject to required approvals from HUD, the use of (1) low rent public housing subsidy that is not currently being utilized for 24 units and (2) low rent public housing subsidy from 24 apartments that are being replaced to subsidize the 48 apartments being created in Truax Park Development Phase 2.

BE IT FURTHER RESOLVED that the CDA is authorized to enter into a lease option agreement with the LLC granting the LLC the option to lease the ground necessary for the development on such terms and conditions as the Chair and the Secretary of the CDA shall approve and

BE IT FURTHER RESOLVED that the CDA either on its own behalf or as the managing member of the LLC is hereby authorized to undertake such actions and enter into such documents and agreements as the Chair and the Secretary shall deem necessary or appropriate to apply for and receive tax credits for Truax Park Phase II.

EXHIBIT A