

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF MADISON, WISCONSIN

Resolution No. 4136

Authorizing the CDA to enter into an Option Agreement with Movin' Out, Inc. and/or its assigns for sale of the property located at 2230 West Broadway in Madison, Wisconsin

Presented June 11, 2015
Referred _____
Reported Back _____
Adopted June 11, 2015
Placed on File _____
Moved By Daniel Guerra, Jr.
Seconded By Dean Brassler
Yeas 7 Nays 0 Absent 0
Rules Suspended _____

WHEREAS, enacted Res-14-00907 approved the transfer of \$500,000 from Tax Increment Financing District #27 to the CDA for the acquisition of 2230 W. Broadway in Madison, Wi (the "Property") to facilitate the development of affordable housing within the boundary of TID #27, and

WHEREAS, on December 11, 2014, the CDA passed Resolution #4112 approving the purchase of the Property in an amount not to exceed \$423,000, and

WHEREAS, on January 22, 2015, the CDA passed Amended Resolution # 4113 authorizing the CDA to enter into an option agreement granting Movin' Out, Inc. and/or its assigns ("Movin' Out") the exclusive option to purchase the Property subject to the terms and conditions set forth in Exhibit A to Amended Resolution #4113.

WHEREAS, Movin' Out applied for affordable housing tax credits in 2015 and did not receive an allocation of such credits, and

WHEREAS, Movin' Out, still wants to develop affordable housing on the Property and is considering the inclusion of a replacement facility for Bridge Lake Point Community Center as part of the development, and

WHEREAS, Affordable Housing Program ("AHP") funding from the Federal Home Loan Bank could provide significant funding for the proposed development and the AHP application requires site control, and

WHEREAS, the AHP application deadline is the end of June 2015.

NOW THEREFORE BE IT RESOLVED, that the CDA is authorized to enter into an option agreement granting Movin' Out the exclusive option to purchase the Property subject to the terms and conditions generally consistent with the terms and conditions set forth in Exhibit A to this resolution.

BE IT FURTHER RESOLVED that the Chair and the Secretary are authorized to execute such documents as are necessary to carry out the intent of this resolution.

EXHIBIT A

June 2015 Option Agreement

The CDA will grant Movin' Out, Inc. or its assigns (the "Buyer") the exclusive option to purchase the Property on the following general terms and conditions:

- a. Purchase Price of \$200,000.
- b. The Buyer may exercise the option to purchase at any time prior to June 1, 2016 contingent upon
 - a. evidence that Buyer has received an allocation of affordable housing tax credits,
 - b. evidence that Buyer has all land use approvals necessary to construct the Development,
 - c. evidence that such other financing as is necessary to construct the Development is in place, and
 - d. the CDA's approval, in its sole discretion of the development plan including but limited to the number, size and affordability of apartments and the provision of space for the Bridge Lake Point Community Center.
- c. The parties agree to extend the option to purchase for a period of 12 months at such time as Buyer delivers notice and evidence that the Development has received an allocation of Affordable Housing Tax Credits from WHEDA.

Loan Agreement.

At closing, the CDA shall accept a note from the Buyer in the amount of \$200,000 for the purchase of the property (the "Acquisition Loan"). The Acquisition Loan will have a term of 30-years, an interest rate of 0% and shall be subordinate to all other forms of financing. The Acquisition Loan shall be payable in annual installments but only to the extent there is sufficient cash flow from the Development.

At Closing, the CDA shall make a loan to Buyer in an amount equal to \$50,000. The CDA loan will have a 30-year term, an interest rate of 0% and shall be subordinate to all other forms of financing. The CDA loan shall be payable in annual installments but only to the extent there is sufficient cash flow from the Development.