



Community Development Authority of the City of Madison

Economic Development Division
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DATE: October 3, 2012

TO: Community Development Authority

FROM: Percy Brown, CDA Deputy Executive Director

SUBJECT: Financial Review-Loan and Grant Programs

The Common Council has designated the Community Development Authority (CDA) as agent for the City for purposes of administering and operating a myriad of loan and grant programs (please see attached program summary).

PROGRAM OBJECTIVES

- Upgrade and preserve the housing stock in the City's older residential neighborhoods.
- Promote homeownership.
- Increase affordable housing opportunities.
- Preserve and expand the housing supply.
- Redevelop blighted and underutilized properties.
- Revitalize neighborhoods.
- Encourage businesses to reinvest in the downtown and smaller neighborhood retail areas.
- Enhance the aesthetic and economic viability of the City's older commercial districts.
- Encourage the expansion of new and existing business enterprises.

REVENUE SOURCES

Capital Revolving Fund:

The Capital Revolving Fund is a City funded program which has two components: (1) the Madison Capital Revolving Fund (MCRF) Loan, and the (2) Façade Improvement Grant Program. The sources of funding are available fund balances, loan repayments and program income (see chart below).

Capital Revolving Fund Balance Sheet

Assets	Current Balance	Date	Projected Revenue
Available Cash	\$ 887,068.67		
Accrued Interest Receivable	\$ 171,427.83		
CDA 600 Block East Dayton	\$ 345,000.00	2/13/2017	Monthly Interest \$1437
122 State St. Group LLP	\$ 166,479.15	11/1/2012	Monthly P&I \$1274
King St. Apts. LLC	\$ 400,000.00	8/23/2020	Interest accruing
Tobacco Warehouses LLC	\$ 500,000.00	10/31/2013	Monthly Interest \$1452
20 W. Mifflin Associates LLC	\$ 204,196.29	6/19/2015	Quarterly P&I \$5015
Cathay Pacific, Inc.	\$ 72,740.06	12/1/2016	Quarterly P&I \$2554
Top Cleaners	\$ 121,440.00	4/25/2017	Interest only 1st 2 years
TOTAL ASSETS	\$ 2,868,352.00		

Housing Rehabilitation Services Program (HRSP):

The HRSP has three components: (1) City funded Installment loans, (2) City funded Rental Rehabilitation loans, and (3) Federal funded Deferred Payment loans. Rental Rehabilitation funds are often targeted to assist landlords in challenged neighborhoods. A special rental rehabilitation program is available to assist landlords in making facade improvements to their properties along Lake Point Drive between Hoboken Street and Weber Drive, near the lake Point Condominiums. The sources of funding for the HRSP include available fund balances, new Federal Home and CDBG Entitlement funds, loan repayments and program income. Monies may be transferred between the City funds, but not between the Federal and City funds.

Homebuyer's Assistance Program (HBA):

The HBA Program is a City funded program, which has three components: (1) loans to homebuyers to finance a portion of the acquisition and rehabilitation cost of an eligible property, (2) short term construction financing for developers to assist with land acquisition, construction and/or housing conversion projects for homeownership, and (3) the "Healthy Neighborhood Initiative" (work force housing loans) for the Greenbush and Vilas neighborhoods. Sources of funds are available fund balances, borrowing, program income and loan repayments.

Home-Buy Down Payment Assistance Program:

The Home-Buy Program has two components: (1) \$5,000 loans to assist first-time homebuyers purchasing a property in Dane county and (2) \$10,000 loans to assist first-time homebuyers purchasing a property in an approved development such as the Lake Point Condominiums and Mosaic Ridge (Allied Drive Phase 2), or earning no more than 50% of the Dane county Median Income. Through September 2012, 15 Home-Buy loans totaling \$142,000 have closed to assist purchases at the Lake Point Condominiums. We have

earmarked \$160,000 in Home-Buy funds for Mosaic Ridge during the next two years. Funding for the Home-Buy Program is derived from the State of Wisconsin Department of Commerce, available fund balances, funds transferred from the HRSP fund, loan repayment and program income.

FUNDS AVAILABLE IN 2013

Programs	Estimated Dollar Amount
Madison Capital Revolving Fund Loan	\$880,000
Façade Improvement Grant	175,000
Housing Rehabilitation Services	901,000
Homebuyer's Assistance	181,500
Home-Buy Down Payment Assistance	385,000
TOTAL	\$2,522,500

CDA INVESTMENTS Loan and Grant Programs 1974-Present

Programs	Years	No. of Loans/Grants	No. of Housing Units	Dollar Amount
Capital Revolving Fund	1987-Present	29		\$4,283,271
*Façade Improvement Grant	2000-2012	56		732,556
Housing Rehabilitation Services	1974-Present	1,762	2,937	30,495,529
Homebuyer's Assistance	1990-Present	93	137	3,019,475
Home-Buy	1991-Present	712	712	2,772,282
TOTAL		2,652	3,786	\$41,303,113

*Please see the attached Façade Grants 2000-2012 Display Booklet

OTHER CDA FINANCIAL ASSISTANCE CDA Bonds (Conduit Financing) 1985-Present

Bond Projects	Years	No.	No. of Housing Units	Total Bond Amount
	1985-Present	25	1,722	\$375,775,000

Please see the attached list and schedule of bond projects