

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF MADISON, WISCONSIN

Resolution No. 4282

Authorizing the issuance of a request for proposals for the sale of 601 S. Baldwin Street in Madison, WI

Presented July 12, 2018
Referred _____
Reported Back _____
Adopted _____
Placed on File _____
Moved By _____
Seconded By _____
Yeas _____ Nays _____ Absent _____
Rules Suspended _____

WHEREAS, The Community Development Authority (“CDA”) acquired a property at 601 S. Baldwin Street (the “Two-Flat”) from the Madison Mutual Housing Association (“MMHA”) in October of 1995 as part of a package of real estate that included twenty eight (28) apartments and a commercial building at the corner of Dayton Street and Blount Street (“the Reservoir”).

WHEREAS, the terms of the acquisition included the CDA’s assumption of MMHA loans from the City of Madison and the Wisconsin Housing and Economic Development Authority which are secured by the Two-Flat and the Reservoir.

WHEREAS, one of the loans from the City of Madison (the “City”) remains outstanding with a principal balance of \$371,000 with an interest rate of 5% per year. The City of Madison loan matured in June of 2017 and the City and the CDA are negotiating either repayment or refinance of the loan.

WHEREAS, the Two Flat consists of two apartments that are rented to low income residents.

WHEREAS, an appraisal completed in April of 2018 provided an opinion of value of \$285,000 assuming no income or rent restrictions,

WHEREAS, the CDA wishes to sell the Two Flat and use the proceeds to repay all or a portion of the loan from the City,

WHEREAS, the City of Madison and the CDA have identified the creation and preservation of affordable housing as a priority and the Two Flat provides affordable rental housing in a location with access to transportation and other amenities, and

WHEREAS, the City of Madison Community Development Division has indicated an interest in providing funding to a future owner for the acquisition of the Two Flat in return for long term affordability.

NOW, THEREFORE, BE IT RESOLVED that the CDA authorizes the issuance of a request for proposals for the sale/acquisition of the Two Flat at market value, and

BE IT FURTHER RESOLVED, that the CDA shall then prioritize proposals that provide for long-term affordability.