

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF MADISON, WISCONSIN

Resolution No. 4166

Authorizing the CDA Executive Director to sign a letter of intent with Movin' Out, Inc. and/or its assigns for purchase of a condominium located at 2230 West Broadway in Madison, Wisconsin

Presented January 14, 2016
Referred _____
Reported Back _____
Adopted January 14, 2016
Placed on File _____
Moved By Daniel Guerra, Jr.
Seconded By Sara Eskrich
Yeas 4 Nays 1 Absent 1
Rules Suspended _____

WHEREAS, Movin' Out plans to develop affordable housing on the 2230 West Broadway and a replacement facility for Bridge Lake Point Community Center as part of the development; and

WHEREAS, the CDA has granted an option agreement to Movin' Out to purchase the properties located at 2230 West Broadway, 1918 West Broadway and 5330 Hoboken to facilitate the development of affordable housing and a replacement Bridge Lake Point Community Center.

NOW THEREFORE BE IT RESOLVED, that the CDA Executive Director is authorized to sign a non-binding letter of intent to purchase a condominium at 2230 West Broadway from Movin' Out or and/or its assigns for the purpose of housing a replacement Bridge Lake Point Community Center.

EXHIBIT A

Option Agreement

The CDA will grant Movin' Out, Inc. or its assigns (the "Buyer") the exclusive option to purchase the parcels 2230 W. Broadway, 1918 W. Broadway and 5330 Hoboken 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 Affordable Housing Development including replacement space for the Bridge Lake Point Waunona Neighborhood Center,
 - c. evidence that such other financing as is necessary to construct the Affordable Housing Development including replacement space for the Bridge Lake Point Waunona Neighborhood Center 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 City shall accept a mortgage and 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 Affordable Housing 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.