

**2010 STAFF REVIEW OF PROPOSALS FOR
COMMUNITY/NEIGHBORHOOD DEVELOPMENT RESERVE FUNDS
(Housing Development Funds, Affordable Housing Trust Funds, Facility Acquisition/Rehab Funds, Futures
Funds)**

1. **Project Name/Title:** Future Madison Wexford Subordination

2. **Agency Name:** Future Madison Housing Fund, Inc.

3. **Requested Amount:** N/A

4. **Project Type:** New or Continuing

5. **Framework Plan Objective Most Directly Addressed by Proposed Activity:**

D: Rental Housing: Expand the number of affordable housing rental units and/or improve the quality and/or diversity of units available to lower income individuals throughout the community.

6. **Product/Service Description:**

Future Madison Housing Fund, Inc. provides affordable rental housing for low income families throughout the Madison Community including housing complexes in Wexford Ridge, Vera Court and the Darbo Worthington neighborhoods. The complex at Wexford Ridge includes HUD funded rental housing at 240 apartments plus several office suites that provide space for property management offices, Head Start programs and the Madison Police Department.

7. **Anticipated Accomplishments (Numbers/Type/Outcome):**

Refinance of debt on the Wexford will provide Future Madison with equity with which to make improvements at other properties or fund new projects.

8. **Staff Review:**

In 1999 the City provided a loan of \$1,500,000 in HOME and Match funds to help Future Madison acquire and rehab. the Wexford Ridge Apartment Complex. At that time the City loan funds were in third mortgage position behind two bank loans, totaling \$6,826,041.

Future Madison has built some equity in the property through repayment of principal and is seeking to replace the first two mortgage loans with a new HUD insured loan. The combined current amount due on the first two mortgages is \$4,604,487. The new HUD insured loan is estimated at \$6,053,400 (depending on final closing costs). HUD requires that the lender (Centennial Mortgage, Inc.) secure their loan with a first mortgage on the property. The estimated proceeds to Future Madison would be about \$1M. The value of the property has remained stable.

Future Madison intends to use the proceeds of the refinance for rehab. at other properties, working capital or as a source of funds for a new undertaking.

Total Cost/Total Beneficiaries Equals:

CD Office Funds/CD-Eligible Beneficiaries Equals:

CD Office Funds as Percentage of Total Budget:

Staff recommendation:

9. Approve subordination of the existing City loan to a new HUD insured first mortgage loan of up to \$6,053,400.

Technical and Regulatory Issues	Project information
Within unit, capital, mortgage limits	
Within Subsidy layering limits/ analysis	
Environmental Review issues	
Eligible project	
Conflict of interest	
Church/State issues	
Accessibility of program	
Accessibility of structure	
Lead-based paint issues	
Relocation/displacement	
Zoning restrictions	
Fair Labor Standards	
Vulnerable populations	
Matching Requirement	
Period of Affordability for HOME funds	
Site and neighborhood Standards	
Supplanting issues	
Living wage issues	
B.A.D. building process	
MBE goal	
Aldermanic/neighborhood communication	
Management issues:	