COMMUNITY DEVELOPMENT AUTHORITY
OF THE CITY OF MADISON, WISCONSIN

Resolution No. 4302

Authorizing the Mayor and the City Clerk to execute an amendment to the loan agreement with the CDA to extend the payment deadline until June 1, 2020.

Presented December 13, 2018
Referred
Reported Back
Adopted December 13, 2018
Placed on File
Moved By Allen Arntsen
Seconded By Sheri Carter
Yeas 5 Nays 0 Absent 1
Rules Suspended
Legistar File Number 54065

RESOLUTION

WHEREAS, in 1986, the City of Madison ("City"), the Community Development Authority of the City of Madison ("CDA") and Madison Mutual Housing Association, Inc. ("MMHA") entered into a loan agreement for the development of rental housing at 200 N Blount Street and 601 S Baldwin Street ("Property"); and

WHEREAS, the loan agreement called for the City to lend $345,000 to MMHA and the CDA acting as the City's agent for managing the loan; and

WHEREAS, on October 16, 1995, the CDA purchased the Property and assumed the loan agreement; and

WHEREAS, the CDA has been making regular payments under the loan agreement; and

WHEREAS, the loan agreement calls for a balloon payment of $345,000 plus accrued interest, totaling $370,861.61 ("Balloon Payment") to be made to the City in June of 2017; and

WHEREAS, the CDA has not been able to make such payment and is currently in default, but within the remedy period under the loan agreement; and

WHEREAS, the CDA seeks to extend the deadline to make the Balloon Payment until June 1, 2020.

NOW THERE FORE BE IT RESOLVED, that the Common Council of the City of Madison hereby authorizes the Mayor and City Clerk to execute an amendment to the loan agreement and take any further action as may be necessary or appropriate to carry out the intent of this resolution in a form approved by the City Attorney.