

COMMUNITY DEVELOPMENT AUTHORITY
OF THE CITY OF MADISON, WISCONSIN

Resolution No. 4695

Authorizing the CDA to extend an Allied Drive Redevelopment loan from Johnson Bank that matures on December 30, 2025 in the amount of \$594,163.81

Presented December 11, 2025
Referred _____
Reported Back _____
Adopted _____
Placed on File _____
Moved By _____
Seconded By _____
Yeas _____ Nays _____ Absent _____
Rules Suspended _____
Legistar File Number 91133

RESOLUTION

WHEREAS, Community Development Authority of the City of Madison (the "CDA") is the managing member of Allied Drive Redevelopment, LLC, (the "Project Owner") which owns the affordable housing rental project located at 2317-21 Allied Drive, 4705-09 Jenewein Road, and 4713-17 Jenewein Road, Madison, Wisconsin, commonly known as the Revival Ridge Apartments (the "Project"); and

WHEREAS, the CDA borrowed \$795,700 for a term of 5 years with a 4.38% fixed interest rate from Johnson Bank as a refinance of a 2011 Fannie Mae line of credit to finance a portion of the Project in 2017; and

WHEREAS, the collateral for the Johnson Bank loan is leasehold mortgages related to a ground lease between CDA and the Project Owner regarding the real property underlying the Project, a memo of which was recorded with the Dane County Register of Deeds on December 5, 2008 as Document No. 4485484 (the "Ground Lease"); and

WHEREAS, the maturity date of the Johnson Bank loan was extended on December 30, 2024 to December 30, 2025, with an outstanding amount of \$617,301; and

WHEREAS, Johnson Bank has offered a continued favorable extension of the current outstanding balance, \$594,163.81, for a term of up to 180 days with interest calculated as SOFR (one-month term) plus 235 basis points, with floating rate (6.13% as of 12/8/2025, with no prepayment penalty; and

WHEREAS, Johnson Bank's proposal is competitive with the current market and honoring of the previously agreed upon terms and conditions for \$500 processing fee without requiring an appraisal; and

WHEREAS, as authorized by CDA Resolution No. 4688, Legistar File 90320, the CDA will exercise the right to acquire the investor member interest in the Project Owner on December 31, 2025, making the CDA the sole member of the Project Owner, but the Project Owner will now

retain ownership of the Project during the short-term loan extension contemplated by this Resolution; and

WHEREAS, the CDA anticipates the following will occur in 2026, likely as a single transaction: (1) termination of the Ground Lease; (2) transfer of ownership of the Project and underlying real property to the Madison Revitalization and Community Development Corporation ("MRCDC") as authorized by CDA Resolution No. 4668; (3) dissolution of Project Owner; and (4) MRCDC closing on long-term financing related to its acquisition of the Project, which is anticipated to include financing for needed maintenance (subject to such financing terms being approved by MRCDC's board); and

WHEREAS, staff recommend the extension of the Johnson Bank Loan on the terms described above.

NOW, THEREFORE, BE IT RESOLVED, the CDA Board hereby authorizes the Executive Director to take such actions and sign such documents as are necessary to close the Johnson Bank loan extension and terminate the Ground Lease under the terms and conditions substantially the same as those set forth above, each action to be taken as may be acceptable to the Executive Director.