

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF MADISON, WISCONSIN

Resolution No. 4113

Authorizing the CDA to enter into an Option Agreement with Movin' Out, Inc. and/or its assigns for sale of the property located at 2230 West Broadway in Madison, Wisconsin.

Presented February 22, 2015
Referred _____
Reported Back _____
Adopted _____
Placed on File _____
Moved By _____
Seconded By _____
Yeas _____ Nays _____ Absent _____
Rules Suspended _____

WHEREAS, Movin' Out, Inc. entered into an agreement with Broadway Lake Point, LLC granting Movin' Out, Inc. and/or its assigns an option to purchase 2230 W. Broadway Dr, Madison, WI (the "Property") for an amount equal to \$423,000 (the "Option Agreement"), and

WHEREAS, the City of Madison CDBG summer funding process recommended funding in the amount of \$712,000 for the development of 36 units of affordable apartments by Movin' Out, Inc. on the Property (the "Affordable Housing Development"), and

WHEREAS, the City of Madison's 2015 Capital Budget includes funding from the Community Development Division affordable housing funds (CDD funding) in the amount of \$712,000 for the Affordable Housing Development, and

WHEREAS, enacted Res-14-00907 approved the transfer of \$500,000 from Tax Increment Financing District #27 to the CDA for the acquisition of the Property to facilitate the development of affordable housing within the boundary of TID #27, and

WHEREAS, the CDA's purchase of the property will facilitate a reduction in CDD funding needed for the Affordable Housing Development by an amount equal to or greater than the purchase price of the Property, and

WHEREAS, on December 11, 2014, the CDA passed Resolution #4112 approving the purchase of the Property in an amount not to exceed \$423,000, and

WHEREAS, in order to apply for affordable housing tax credits, Movin' Out, Inc. and/or its assigns need to demonstrate control of the Property on or before January 31, 2015.

NOW THEREFORE BE IT RESOLVED that the CDA is authorized to accept the assignment of the Option to Purchase, and

BE IT FURTHER RESOLVED that the CDA is authorized to enter into an option agreement granting Movin' Out, Inc. and/or its assigns the exclusive option to purchase the Property subject to terms and conditions generally consistent with the terms set forth in Exhibit A, and

BE IT FURTHER RESOLVED that the CDA is authorized loan Movin' Out, Inc. and/or its assigns an amount equal to the difference between \$500,000 and the CDA's total cost of purchasing the Property on terms generally consistent with the terms set forth in Exhibit A, and

BE IT FURTHER RESOLVED that the Chair and the Secretary are authorized to execute such documents as are necessary to carry out the intent of this resolution.

EXHIBIT A

Option Agreement

The CDA will grant Movin' Out, Inc. or its assigns (the "Buyer") the exclusive option to purchase the Property on the following general terms and conditions:

- a. Purchase Price of \$1,
- b. The Buyer may exercise the option to purchase at any time prior to June 1, 2015 contingent upon evidence that Buyer has received (1) an allocation of affordable housing tax credits, (2) all land use approvals necessary to construct the Development, and (3) such other financing as is necessary to construct the Development.
- 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.

The CDA will loan Buyer an amount equal to the \$500,000 less the CDA's total cost of acquiring the Property including but not limited to the purchase price paid by the CDA, the cost of appraisal, title insurance, and phase 1 environmental report. The loan will be fully subordinated to all other forms of financing, will carry a term of 30 years and an interest rate of 0%. Payments on the loan will be made to the extent cash flow is available.

