



Department of Planning & Community & Economic Development

Community Development Division

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Child Care
Community Resources
Community Development Block Grant
Madison Senior Center

Memo

To: CDBG Committee

From: Julie Spears, Grants Administrator

Date: 11/19/2014

Re: Change of Legal Entity for Movin' Out, Inc.'s Dempsey Place Development

The attached resolution authorizes a change in the legal entity with which the City enters into a Loan Agreement for the Dempsey Place project from Movin' Out, Inc. to Pinney Lane Apartments, LLC. This change is technical in nature and does not alter the scope of the project previously approved by the CDBG Committee and Common Council.

At the time of the award, staff were operating under the applicable HOME regulations at that time which allowed HOME funds be indirectly loaned to the LLC via a nonprofit Community Housing Development Organization (CHDO). Revisions to the federal HOME regulations now require the HOME Loan Agreement and Documents to be executed directly with the legal entity that will serve as the owner of record of the property.

Movin' Out and Stone House Development have jointly created Pinney Lane Apartments, LLC as the legal entity for the purpose of acquiring, owning, developing and financing the Dempsey Place rental housing development. MOI and Stone House will maintain joint membership of the management of this Wisconsin limited liability company at 51% and 49%, respectively.

Requested Action:

Staff requests that the CDBG Committee approve this Resolution that changes the legal entity for ownership and contractual purposes for this project.

Staff Recommendation:

Approve.