



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: 9/27/2017

Re: Authorizing the allocation of \$1.48 million in 2017 Affordable Housing Funds for CommonBond Communities Senior Housing at 7941 Tree Lane and authorizing the execution of related loan agreements

Background

On June 7, 2016, the Common Council adopted a resolution authorizing the Community Development Authority to purchase property at 7941 Tree Lane and undertake an RFQ process for a development partner for a mixed-income senior housing project at that site. On August 2, 2016, the Council adopted a second resolution selecting CommonBond Communities as the development and property management partner. That process was scheduled to coincide with the Wisconsin Housing and Economic Development Authority's (WHEDA) 2017 tax credit application cycle so that City funds could be awarded in time to benefit CommonBond's application for credits.

This project anticipated the availability of AHF funds to aid the developer in financing the project and in securing 2017 federal Low-Income Housing Tax Credits (LIHTC). However, WHEDA did not award LIHTCs to CommonBond for the Tree Lane project in the 2017 cycle. CommonBond is now preparing to renew its request for 2018 credits. The application deadline for that cycle is December 8, 2017. The Community Development Division (CDD) is recommending renewed support for CommonBond's application at a funding level up to \$1.48 million. The recommendation for an increased level of financial commitment is believed necessary to respond to rising project costs and the declining value of tax credits, and to improve the project's competitiveness within WHEDA's process.

The project proposes to construct 54 units of rental housing for seniors, 51 of which will be affordable to households with incomes at or below 60% of the county median income (CMI). Provided tax credits are secured, construction is expected to commence early in 2019 and be completed in 2020.

This resolution is intended to authorize the commitment of City funds for an affordable rental housing development for seniors described in the RFQ process conducted by the CDA last year. It is also intended to authorize the Mayor and City Clerk to execute loan agreements and other documents necessary to proceed with this project.

September 28, 2017

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Staff Recommendation

Authorize the allocation of \$1.48 million in Affordable Housing Funds to CommonBond Communities' Senior Housing development at 7941 Tree Lane as further outlined in the resolution and authorize the Mayor and City Clerk to execute loan agreements associated with this affordable housing development project.