



Legislation Details (With Text)

File #: 26152 **Version:** 1 **Name:** Authorizing the subordination of previously approved loans to Madison Development Corporation and authorizing the Mayor and City Clerk to sign agreements to subordinate the loans.

Type: Resolution **Status:** Passed

File created: 4/24/2012 **In control:** BOARD OF ESTIMATES (ended 4/2017)

On agenda: 5/15/2012 **Final action:** 5/15/2012

Enactment date: 5/18/2012 **Enactment #:** RES-12-00345

Title: Authorizing the subordination of previously approved loans to Madison Development Corporation and authorizing the Mayor and City Clerk to sign agreements to subordinate the loans.

Sponsors: Tim Bruer, Shiva Bidar, Matthew J. Phair

Indexes:

Code sections:

Attachments: 1. Revised MDC Subordination for 738 E Dayton St Memo.pdf

Date	Ver.	Action By	Action	Result
5/15/2012	1	COMMON COUNCIL	Adopt	Pass
5/7/2012	1	BOARD OF ESTIMATES (ended 4/2017)	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
5/3/2012	1	COMMUNITY DEVELOPMENT BLOCK GRANT COMMITTEE	Return to Lead with the Recommendation for Approval	Pass
5/2/2012	1	BOARD OF ESTIMATES (ended 4/2017)	Refer	
5/1/2012	1	COMMON COUNCIL	Referred	
4/25/2012	1	CDBG Office	Referred for Introduction	

Fiscal Note

No fiscal impact.

Title

Authorizing the subordination of previously approved loans to Madison Development Corporation and authorizing the Mayor and City Clerk to sign agreements to subordinate the loans.

Body

Madison Development Corporation needs an additional \$75,000 from their first mortgage holder Town Bank to complete substantial rehabilitation for 738 E. Dayton St. Madison Development Corporation proposes to increase their first mortgage from \$500,000 to \$575,000; and,

WHEREAS, the Common Council approved loans to Madison Development Corporation for the acquisition and rehabilitation of affordable rental housing; and,

WHEREAS, the CDD staff has reviewed the request by Madison Development Corporation for the City to subordinate its loans to a new first mortgage loan that will provide additional construction capital for Madison Development Corporation’s rental rehabilitation; and,

Whereas, the CDD staff has reviewed the request by Madison Development and has determined that the new loan-to-value ratio is within CDBG guidelines and the project budget shows they are financially capable of

handling the new first mortgage amount.

NOW, THEREFORE BE IT RESOLVED, that the Common Council authorizes the subordination for the previously approved City loans totaling \$229,353 to Madison Development Corporation to a first mortgage from Town Bank in the amount of \$575,000 and authorizes the Mayor and City Clerk to sign agreements to effect such subordination.