



Legislation Text

File #: 05371, Version: 1

Fiscal Note

\$100,000 in Federal HOME and HOME Match funds are available within the Housing Development Fund to cover the costs for this project.

Title

Authorizing the provision of HOME and HOME Match funds to assist Madison Development Corp. to develop housing in ways that address City, Community and Neighborhood Development Objectives.

Body

AGENCY

Madison Development Corporation is a community-based agency established by the City of Madison to promote housing and economic development community-wide. Over the last twenty-six years, MDC has acquired, renovated, and managed over 150 units of affordable housing, developed an effective business loan program, and fostered other innovative projects such as the creation of the Madison Capital Corp. that served as the forerunner of Venture Investors of Wisconsin. Their housing experience includes the renovation of the Bassett Warehouse building, the management of a portion of the former MMHA properties, and various financing programs related to homeownership.

PROJECT

The 2007 adopted budget includes \$89,500 in new HOME funds and \$112,000 in repayments to MDC's housing program for an initial investment in 4 of a total of 8 new rental units on part of an existing complex (The Avenue) owned by Madison Development Corp. (aka Madison Mutual Housing Association) on East Washington Avenue.

This resolution deals with a request for up to \$100,000 in additional HOME funds to address the change in project size and the cost estimates since last spring.

ACTIONS

Whereas, the HOME program, as amended, and its implementing regulations located at 24 CFR Part 92, permit the City of Madison to help community agencies in the provision of housing assistance;

Whereas, CD staff and the CDBG Commission have reviewed this proposal and find that it furthers the goals expressed in the Five-Year Community and Neighborhood Development Plan*;

Now, therefore be it resolved that the Common Council approve the provision of funds for the following project, and authorize the Mayor and the City Clerk to enter into an agreement with:

Madison Development Corporation for up to an additional \$100,000 of HOME and HOME Match funds toward the development of 6 rental homes of a total 12 new units in the East Washington Avenue complex.

Be it further resolved that the assistance be offered on terms adopted in the 2007-2008 Framework for Community and Neighborhood Development, such that the assistance to the organization (and to the buyer) be offered in the form of a deferred payment loan payable upon change of use or sale, with repayment equal to the greater of the amount HOME and HOME Match funds invested in the property or the percent of appraised value that the funds represent in the value of the property.

Note: The proposal describing the above project and the CD staff and CDBG Commission recommendation are available on file in the Council Office and in the CD Office.

*articulated as a benchmark in the "Madison Measures"